M/021/0043 CC: Lynn Ton Wayne Task:

NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

AGR MINERALS, LLC, INC.

HIGHLAND MIST MINE

IRON AND GARFIELD COUNTIES, UTAH



October 13, 2010

Submitted by NORTH AMERICAN EXPLORATION 447 N 300 W, SUITE #3 KAYSVILLE, UT 84037

RECEIVED

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DIV. OF OIL, GAS & MINING

Highland Mist Mine Notice of intent to Commence Large Mining Operations

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FORM MR-LMO (Revised June 2007) File #: M/02//0943

Date Received:

DOGM Lead: Lynn

Permit Fee \$ 500 Ck # 34389

CC: Torn

Way re

Task:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
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NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

INTRODUCTION

The Highland Mist Mine is owned and operated by AGR Minerals, LLC. The mine is located on the border of Iron and Garfield Counties, about ½ mile northeast of State Route 20 (Figure 1). The project is currently operated as a small mine and is recognized by the Utah Division of Oil, Gas and Mines under permit S/021/0035.

The mineral ownership of the mine is entirely held by the School and Institutional Trust Lands Administration (SITLA). AGR Minerals, LLC owns the surface rights to the area where most mining and all processing activities are conducted. One small pit, approximately 0.20 acres in size is located on land with surface and mineral rights owned entirely by SITLA. AGR Minerals, LLC has metalliferous mineral lease agreements valid through 2016 for the entire permit area. The approximate size of the permit area is 586 acres, with 9 acres of proposed surface disturbance.

The operation consists of a surface mine supported by an intermittent crushing and screening operation. All mining, crushing and transporting is done by an independent contractor. The crushed and screened material is hauled off site by trucks to a facility where precious metals are recovered. No leaching or milling operations are done on site.

I. R647-4-101 FILING REQUIREMENTS AND REVIEW PROCEDURES

This Notice of Intention (NOI) is submitted on behalf of AGR MINERALS, LLC, Inc. (AGR) by North American Exploration, Inc. (NAE) in compliance with part R647-4 of the Utah Minerals Reclamation Program.

The proposed Highland Mist Mine is located in both Iron and Garfield Counties in the state of Utah. The permit area includes about 166 acres of Sec 36, T32S, R6W, SLBM situate north and easterly of State Highway 20, and all of Sec 36, T32S, R 5 ½ W, SLBM. The entire permit area contains about 586 acres.(Figure 1)

II. R647-4-102 DURATION OF THE NOTICE OF INTENTION

It is understood that, when approved, this NOI, including any subsequently approved amendments or revisions, remains in effect for the life of the mine and process facilities, subject to AGR following the terms and conditions as outlined in the approved Large Mine Permit.

III. R647-4-103 NOTICE OF INTENTION TO BEGIN MINING OPERATIONS

This Notice of Intent to Commence Large Mining Operations (NOI) for the Highland Mist Mine addresses the requirements of the rules listed under the Utah Reclaimed Mine Act 647-4 rules as follows:

- 104. Operator(s), Surface and Mineral Owners
- 105. Maps, Drawings and Photographs
- 106. Operation Plan
- 107. Operation Practices
- 108. Hole Plugging Requirements
- 109. Impact Assessment
- 110. Reclamation Plan
- 111. Variance
- 113. Surety

IV. R647-4-104 - OPERATOR(S), SURFACE AND MINERAL OWNERS

Mine Name:	HIGHLAND MIST MINE
	of entity (or individual) for whom the permit is being requested:
	R MINERALS, LLC.
Mailing Addre	ess: 8985 S EASTERN AVENUE, SUITE 100
City, State, Z	ip: LAS VEGAS, NV 89123
Phone:(702) 371-5121 Fax: <u>(702) 478-7779</u>
E-mail Addre	702) 371-5121 Fax: (702) 478-7779 ss: jed@privatecapitalgroup.com
	ness: Corporation () LLC (XX) Sole Proprietorship (dba) ()) General orlimited
Individual ()	
Are you curre	ently registered to do business in the State of Utah? (X) Yes () No
	7741308-0161
Conditional I	loo Dormit # "ACD MINEDALS LLC"
legued by:	"AGR MINERALS, LLC" Garfield County, Utah 00594077 Garfield County Other County Othe
Conditional L	loo Dormit # 00504077
looued by:	Iron County, Utah
issued by	Hon County, Otan
Registered U	Itah Agent (as identified with the Utah Department of Commerce)
Name:	O. Jay Gatten
Address:	447 North 300 West, Suite 3
City, State, Z	lip: Kaysville, UT 84037
Phone:	(801) 544-3421 Fax: (801) 544-4554
E-mail Addre	ip: Kaysville, UT 84037 (801) 544-3421
Permanent Add	dress: 8985 S EASTERN AVENUE, SUITE 100
	LAS VEGAS, NV
Phone:	(702) 371-5121 Fax: (702) 478-7779
Contact Person	n(s) Please provide as many contacts as necessary.
Name: JED	DROBINSON Title:
Address:	160 W CANYON CREST ROAD
City, State, Z	lip: ALPINE, UT 84004
Phone:	(801) 216-8850 Fax: (801) 216-8889
Emergency,	Weekend, or Holiday Phone: (702) 371-5121
F-mail Addre	ess: jed@privatecapitalgroup.com

Contact person to be notified for: permitting (X) surety (X) Notices (X)

. Loc	cation of Operation: Counties	IRON & GARFIELD	
	That part of Section36 and east of State Highway 20.	Township: 32 S Range: 6 W located r	nort
	AND _ALL_of Section:36	Township: 32 S Range: 5 ½ W	
6.	Ownership of the land surface (circle all that Private (Fee), Public Domain (BLM), National	at apply): Forest (USFS), State of Utah (SITLA) or other:	
Add	Name: <u>SCHOOL AND INSTITUTIONAL</u> dress: <u>675 E 500 S #500, SALT LAKE CITY</u>		
Add	Name:dress:		
7.	Owner(s) of record of the minerals to be reprivate (Fee), Public Domain (BLM), National Formula SCHOOL AND INSTITUTIONAL Address: 675 E 500 S #500, SALT LAKE C	orest (USFS), State of Utah (SITLA) or other: TRUST LANDS ADMINISTRATION	
8.	Utah State Lease Number(s): ML50855 & N	ML50377	
	Name of Lessee(s): AGR Minerals, LLC.		
9.	Adjacent land owners:		
	Name: UNITED STATES BUREAU OF I Address: 2370 South 2300 West, Salt Lake	LAND MANAGEMENT e City, UT 84102	
	Name: BEAR CREEK LLC. Address: 6508 PECAN GROVE COURT, L	AS VEGAS, NV 89142	
10.	Have the land, mineral and adjacent land Yes XXX No		
11.	Does the Permittee / Operator have legal the land covered by this notice? Yes	right to enter and conduct mining operation	ns

AGR Minerals, LLC.

Highland Mist Mine – Large Mine Operation

Prepared by: North American Exploration, Inc. * 447 N 300 W Suite #3, Kaysville, Utah 84037*

V. R647-4-105 - MAPS, DRAWINGS & PHOTOGRAPHS

105.1 - Base Maps

Figure 1 - Location Map

Figure 2 - Surface Ownership Map

Figure 3 - Mineral Ownership Map

105.2 - Surface Facilities Maps

Figure 4 - Existing Surface Facilities

Figure 5 - Proposed Mining Operations

105.3 - Additional Maps

Figure 6 - Mineral Ownership

Figure 7 - Geology Map

Figure 8 - Reclamation Plan

Photographs of the area are included in Appendix 1.

VI. R647-4-106 - OPERATION PLAN

106.1 - Mineral(s) to be Mined: Precious Metals

106.2 - Type of Operation Conducted:

Mining Methods

- Surface Mining
- Excavation and Hauling
- · Crushing and Screening
- Transportation by Truck Off-Site for Additional Processing

Surface mining is currently underway under small mine permit S/021/0035 (Appendix 7). Expanded mining operations will begin when the large mine permit is obtained, probably in January of 2011. Production is estimated at about 5,000 CY (8,000 Tons) of ore annually, and 8,000 tons of overburden per year for a period of 20 years.

No harmful chemicals or materials will be used on site, with the exception of fuel and cleaning solvents. The handling of these materials will be done as per MSHA regulations and is specified in a Spill Prevention, Containment and Countermeasures Plan (Appendix 2).

Equipment used will be as follows:

- 1. Excavation and Hauling
 - Tamrock Rock Drill (or equivalent)
 - CAT 345 Excavator (or equivalent) Weight 100 tons, capacity 300 tons per hour.
 - Volvo 40 ton Haul Trucks (or equivalent) (2)
- 2. Crushing and Screening
 - Norberg Horizontal Impact Crusher (or equivalent)
 - Apron Feeder
 - Screen Decks (Make +½ Product)
 - CAT 966 Loader (or equivalent) 5 cubic yard capacity (to feed the crusher)
 - CAT 966 Loader (or equivalent) 5 cubic yard capacity (stockpile crushed ore and load trucks)
- 3. Transportation Trucks of outside contractors will haul the ore off site for further processing.

106.3 - Estimated Acreage

Areas of actual mining:		4.1 acres
Overburden/waste dumps:		Included in Disturbed Areas
Ore and product stockpiles:		4.3 Acres
Access/haul roads:		0.60 acres
Associated on-site processing facilities:		Mobile Equipment Only
Tailings disposal:		NA
Other - Please describe:		
	Total Acreage	9.0 acres

106.4 - Nature of Material Including Waste Rock/Overburden and Estimated Tonnage

Geology

The material mined is a green mudstone volcanic rock. Overburden is a volcanic breccia. The mine area has two principal geological formations. The bedrock is the Mount Dutton Formation which is dated as Oligocene and early Miocene age, and is about 24 million years old. This Formation is made up of gray to brown, volcanic mudflow breccia of an intermediate composition that locally contains a conglomeratic tuffaceous sandstone. There are two younger, unconsolidated alluvial deposits in the area. These deposits are older alluvium deposited at times of high water flow and a younger alluvium deposited on a more consistent basis. A large possible fault trending southwest to northeast up the main drainage of the property is not exposed at the surface but is inferred at depth. These rock types and features located in the mining area as shown in Figure 7.

Thickness of growth medium:	6-12 in.
Thickness of overburden:	10 ft Average
Thickness of mineral deposit:	5 to 40 ft.
Estimated annual volume of overburden:	5,000 cu. yds.
Estimated annual volume of tailings/reject materials:	None cu. yds.
Estimated annual volume of ore mined:	5,000 cu. yds.
Overburden/waste description: Volcanic mudflow breccia and	

106.5 - Existing Soil Types, Location of Plant Growth Material

The US Department of Agriculture has identified two primary soil types within the permit area. The soil in the mine areas and access road to the primary pit is classified as Commodore Series. The stockpile areas and main access road have soil classified as Plite Series. The Commodore Series and Plite Series of soil are described by the department in Appendix 3 and as follows:

Commodore Series - Consists of shallow, well drained soils on mountainsides and ridge tops. These soils consist of extremely cobbly clay loam formed in residuum and alluvium derived dominantly from basic and intermediate igneous rock. Slopes are 15 to 40 percent. Elevation is 6,800 to 7,500 feet. Average annual precipitation is 12 to 14 inches, and average annual air temperature is 40 to 45 degrees F.

Horizon	Commodore Series Description
А	0 to 6 inches; brown extremely cobbly clay loam; moderate fine granular structure; slightly hard, firm, sticky and plastic; few fine and very fine roots; common fine and very fine tubular pores; 25 percent pebbles and 40 percent cobbles, mildly alkaline (pH 7.4); clear wavy boundary.
С	6 to 13 inches; brown very cobbly clay; weak medium subangular blocky structure; hard, firm, sticky and plastic; common fine and medium roots; few fine interstitial pores; 25 percent pebbles and 25 percent cobbles; mildly alkaline (pH 7.8).
R	13 inches; Igneous Bedrock. (Depth to bedrock at sample sites from 10 to 20 inches)

Plite Series - Consists of very deep, somewhat excessively drained soils on alluvial valley bottoms. These soils formed in alluvium derived dominantly from basic and intermediate igneous rock. Slopes are 2 to 8 percent. Elevation is 6,500 to 7,500 feet. Average annual precipitation is 9 to 14 inches, and average annual air temperature is 40 to 45 degrees F.

Horizon	Plite Series Description	
A1	0 to 3 inches; brown sandy loam; weak thick platy structure parting to single grain; soft, very friable; common fine and medium roots; few fine and medium tubular pores; 5 percent pebbles; neutral (pH 7.2); abrupt smooth boundary.	
A2	3 to 33 inches; brown sandy loam; massive; slightly hard, very friable; few fine and medium roots; few fine and medium tubular pores; 5 percent pebbles; mildly alkaline (pH 7.4)	
R	33 to 60 inches; brown sandy loam; massive; slightly hard, very friable; few fine and medium roots; few fine and medium tubular pores; 5 percent pebbles; moderately calcareous; moderately alkaline (pH 8.4)	

Mine Area Growth Medium Details:

Depth of Growth Medium

Volume (for stockpiling)

Texture (field determination)

pH (field determination)

(cross reference with item 106.6)

6 to 12 inches
3,000 cu. yds.
coarse, granular

7.2 to 7.8

Stockpile Area Growth Medium:

Growth medium stockpiles and ore stockpiles in the mining and processing areas are located on relatively flat terrain over Plite series soil. The area has been previously cleared of sage brush and the organic and soil materials preserved in the growth medium stockpile (Figure 4). The remaining soil averages about 6 inches in depth.

106.6 - Plan for Protecting and Redepositing Existing Soils

Thickness of growth medium to be salvaged and stockpiled:

Area from which growth medium can be salvaged:

Volume of soil to be stockpiled:

(cross reference with item 106.5 (a))

6 to 12 inches

4 acres

3000 cu. yds.

Growth medium from the mining areas has been previously removed and transported to the growth medium stockpiles in the mining and processing areas. As mining expands, additional growth medium will be removed and preserved in the same manner. Also, the growth medium in the stockpile area is alluvial and much thicker than that found in the mine areas. Vegetation has been cleared, and minimal grading was required, but most of the growth medium is undisturbed and remains in place. Most of the growth medium cleared for the stockpiles will be used for mine area reclamation. The processing areas need only to be graded, ripped and seeded for revegetation.

106.7 - Existing Vegetative Communities to Establish Revegetation Success

The Highland Mist Mine is currently operating as a small mine under permit S/021/0035. Soil samples have been collected for analyses from the growth medium surrounding the areas of disturbance, and the results are included in Appendix 3 of this NOI. The vegetative community consists of sagebrush, native grasses and numerous juniper trees. Seed mixtures will be determined in accordance with Division recommendation.

Samples in Appendix 3 are from the following locations:

1.	Crushed Ore Stickpile –	HM-01
2.	Dry Stream West of Stockpiles -	HM-03
3.	Garfield County Pit Growth Medium -	HM04

4. Iron County Pit Growth Medium – HM05

106.8 - Depth to Groundwater, Overburden Material & Geologic Setting

No wells have been drilled in the project area. There has been no ground water encountered at the existing mining operations. The depth to ground water is unknown.

The overburden of the area consists of various volcanic and sedimentary rocks. (See Figure 7) This geologic formation is termed the Mount Dutton Formation of Tertiary age. This is a gray and brown volcanic mudstone and mudflow breccia of intermediate composition. The rock types also include conglomerate, tuffaceous sandstone, lava and bright blue-green mudstone. No faults have been mapped in the area or encountered by surface mining operations.

106.9 - Location and Size of Ore and Waste Stockpiles, Tailings and Treatment Ponds, and Discharges

The Highland Mist Mine currently is two small open pits, which produce about 5000 cubic yards of ore annually. Ore from these sites has been crushed, screened and stockpiled at the locations identified (Figure 4). The expansion of the mining areas is expected to be minimal, with a total of approximately 9 acres of total surface area disturbance. Overburden that is removed will continue to be stockpiled within or in close proximity to the mine areas. Waste rock will be moved into previously excavated sections of the pits with consideration for final reclamation slope requirements. The design of the pits, roads and stockpile area contain storm water and do not contribute to excess run off during storm events. As mining activities

progress, storm water controls such as berms, check dams and ponds may be constructed to assure minimal erosion and to minimize the amount of sediment transported by storm water.

Waste rock and rejected material are not a significant concern at the Highland Mist Mine. Ore is selectively recovered from small pits. No significant amounts of waste rock need to be removed to access the ore. Overburden material will be stockpiled within the pits, or adjacent to them within the proposed areas of disturbance. During reclamation, overburden material will be returned to the source pits prior to replacement of growth medium. All ore will be processed off site at another facility.

VII. R647-107 - OPERATION PRACTICES

As required, the relevant Operation Practices stipulated in R647-4-107 will be followed.

VIII. R647-108 - HOLE PLUGGING REQUIREMENTS

There are no plans for future drilling within the permit area for exploration. If drilling for any reason other than blast hole drilling is planned in the area, AGR will notify DOGM and the following permitting procedures will be employed:

- Drill holes shall be property plugged as soon as practical and shall not be left unplugged for more than 30 days without approval by DOGM.
- Dry holes and non-artesian holes that do not produce significant amounts of water may be temporarily plugged with a surface cap to enable AGR to re-enter the hole for the duration of set operations.
- Surface plugging of drill holes outside the actual mine area shall be accomplished by
 setting a nonmetallic permaplug at a minimum of five (5) feet below the surface, or
 returning the cuttings to the hole and tamping the returned cuttings to within five (5 feet) of
 ground level. The hole above the permaplug or cuttings will be filled with a cement plug. If
 cemented casing is to be left in place, a concrete surface plug may not be required as a
 permanent cap is secured on top of the casing.

- Drill holes that encounter water, oil, gas or other potential migratory substances and are 2.5 inches or greater in surface diameter will be plugged in the subsurface to prevent the migration of fluid from one stratum to another. If water is encountered, plugging shall be accomplished as outlined below.
- If artesian flow (i.e. water flowing to the surface from the hole) is encountered during or
 upon cessation of drilling, a cement plug will be placed to prevent water from flowing
 between geologic formations and at the surface. The cement mix will consist of API Class
 A or H cement, with additives as needed, and will weigh at least 13.5 lbs./gal. It will be
 placed under the supervision of a person qualified in proper drill hole cementing or
 artesian flow.
- If the surface owner of the land affected desires to convert an artesian drill hole into a
 producing and/or monitor well, the landowner will provide written notification to DOGM
 accepting responsibility for the ultimate plugging of the drill hole.

Holes that encounter significant amounts of non-artesian water shall be plugged by 1) placing a 50-ft cement plug immediately above and below the aquifer(s) or filling from the bottom up (through the drill casing) with a high grade bentonite/water slurry mixture. The slurry shall have a Marsh Funnel viscosity of at least 50 seconds per quart prior to the adding of any cuttings.

IX. R647-109 - IMPACT STATEMENT

109.1 - Surface and Groundwater Systems

Surface Water

There are no perennial streams or bodies of water within the permit area. There is one dry drainage with no surface water. No waters have been or are expected to be impacted by mining operations at the Highland Mist Mine. Any precipitation and/or run-off into the pits from sheet flow, which enters the pits from the hillsides or drainages above, will be contained within the pits. Run-off in stockpile area is minimal because the crushed rock readily absorbs water and there are no significantly sloping surfaces. A Storm Water Management Plan is included with this notice (Appendix 5).

Ground Water

The depth of ground water is unknown. No ground water has been encountered in the shallow surface mines, nor is it expected to be encountered. Mining and crushing activities do not discharge

any water and will not impact ground water quality or ground water resources. Fuel and lubricants for mining and crushing equipment will be used and handled in accordance with the Spill Prevention, Containment and Countermeasures Plan. (See Appendix 2)

109.2 - Wildlife Habitat and Endangered Species

Most of the surface area required for the Highland Mist Mine has already been impacted under the small mine permit. The current disturbed area is approximately 7 acres. Future mining will expand the disturbance to about 9 acres. There is sparse vegetation in the mine areas. A minimal amount of wildlife habitat will be affected through the 2 acre expansion of the pits. Big game species known to inhabit the area include American elk, mule deer and an occasional pronghorn.

Other wildlife species that occur in the Iron and Garfield Counties area include golden eagle, bald eagle, ferruginous hawk, kit fox, Great Basin rattlesnake, black tail jackrabbit and cotton tail rabbit, and other small mammals and birds.

No endangered species are known to inhabit the Highland Mist Mine permit area. Federally listed species that may have the potential to occur in Iron and Garfield Counties include:

	<u>Plants</u>	
Common Name	Scientific Name	Status
Maguire Daisy	Erigeron maguirei	Threatened
Ute Ladies'-tresses	Spiranthes diluvialis	Threatened
Jones Cycladenia	Cycladenia humilis var jonesii	Threatened
Autumn Buttercup	Ranunculus aestivalis	Endangered
	Animals	
Humpback Chub	Gila cypha	Endangered
Bonytail	Gila elegans	Endangered
Colorado Pikeminnow	Ptychocheilus lucius	Endangered
Razorback Sucker	Xyrauchen texanus	Endangered
Yellow-billed Cuckoo	Coccyzus americanus	Candidate
Mexican Spotted Owl	Strix occidentalis lucida	Threatened
Utah Prairie-dog	Cynomys parvidens	Threatened

The <u>Utah prairie dog</u> is the westernmost member of the genus *Cynomys*. The species range is limited to the southwestern quarter of Utah. Utah prairie dogs have not been observed in the project area and would not be impacted by mining activities in the operations area.

The <u>western yellow-billed cuckoo</u> is a bird that occurs in cottonwood-willow forests in the west. Populations in Utah have been historically noted to be uncommon to rare. Due to the lack of river side habitats in the mine area, the bird would not be expected impacted by mining operations in the area.

109.3 - Existing Soil and Plant Resources

Approximately 3,000 cubic yards of plant growth medium will be stored from the mining operation for reclamation. All plant growth medium stockpiles will be constructed with a flat to slightly arched top. A berm with interior ditch will be constructed down gradient from each growth medium stockpile. These berms will partially circumscribe each plant growth stockpile using material harvested from the land surface where the pile is located. The berms will catch and retain any soil that sloughs off the stockpile, and prevent contamination and erosion from storm water.

Substitute plant growth material may have to be developed to augment the topsoil resources available. This substitute material would include a mix of natural or crushed fines, small rock, pit run material and soil amendments to enhance growth. This material would be stored and spread separately from actual growth medium resources.

Growth medium stockpiles will be seeded in the fall of the year with a DOGM dictated seed mix in order to minimize erosion.

109.4 - Slope Stability, Erosion Control, Air Quality, Public Health & Safety

Slope Stability

The material mined at the Highland Mist Mine consists of volcanic mudflow breccias and mudstone. During mining, all active bench heights will be maintained at 20-foot maximum height. The overall slope of these high walls will not exceed 1H:1V overall. AGR will inspect active high walls several times per month to maintain safe conditions. A more extensive high wall inspection is also conducted yearly or as required by an MSHA inspector.

Erosion Control

No significant drainages are located within the mine area. A dry stream bed passes near the stockpile and crushing area. Water occasionally flows through this wash during intermittent thunder storms and other events. Great care will be taken to see that such flooding does not cause undue erosion in any of the permit areas. A Storm Water Management Plan has been prepared and is included (see Appendix 5). This Plan is based on a 10 year 24 hour precipitation

event.

There are no defined water channels within the existing or future mining areas. However, the hillsides adjoining the pits are anticipated to shed water into these pits during precipitation events. Any runoff into the pits will be contained with the pits and collected near the face of the pit.

Air Quality

The crushing and screening operation has the potential to produce dust that will affect air quality. AGR will contract all mining, hauling and crushing operations with a licensed professional contractor. The contractor doing the crushing and screening operations will have an Air Quality permit issued through the State of Utah, Department of Environmental Quality: Division of Air Quality (DAQ). This permit is issued to the equipment that will be used to perform crushing and screening activities, and a copy will be submitted to DOGM prior to mining. Ore will be hauled from the mines to the crusher/equipment area on maintained gravel haul roads. These roads will be watered as necessary to keep down excessive dust.

Public Health and Safety

AGR will minimize hazards present and install measures to help protect public safety and welfare during operations. These measures will include:

- Fencing and signing any shafts or tunnels that may exist within the permit area. All mine areas, buildings, crushing equipment, process facilities, and other equipment will be signed to discourage unauthorized or accidental entry in accordance with MSHA regulations.
- Trash, scrap metal and wood, and extraneous debris is disposed of in marked containers that will be picked up monthly and disposed of properly.
- Any exploratory or other drill holes will be plugged and/or capped of as set forth in Rule R647-4-108.
- Appropriate warning signs are located at public access points.
- All deleterious or potentially deleterious material, such as fuel tanks and supplies of lubricants and oils, are kept in secondary containment that has 110% of the capacity of the tanks to control any adverse environmental effects of any upset condition.
- A site specific Spill Prevention, Containment and Countermeasures Plan is provided in Appendix 2.
- Blasting will be done in a safe manner by an approved and licensed contractor. All blasting materials will be stored in accordance with MSHA regulations. Protocol includes the following:
 - a) One access road leads to the stockpile area. This road is blocked by a guard during blasting periods..
 - b) The blasting site is inspected.
 - c) A horn is sounded 5 minutes before the blast.

- d) A horn is sounded just before the blast.
- e) The site is checked out and the access road is opened.

Care is taken to keep the blasts modest in nature and not cast any debris outside the pit area.

X. R647-4-110 - RECLAMATION PLAN

110.1 - Current Land Use and Post-Mining Land Use

The current use of the land includes livestock grazing and wildlife habitat. The proposed postmine use of the land is also livestock grasing and wildlife habitat. This post-mining land use will remain consistent with historical use.

A cultural resource survey of the area was conducted in by Intersearch and a report was submitted on April 15, 2005. (Appendix 4) This survey did not encounter any significant cultural resources. Should significant cultural resources be encountered, the Division will be contacted.

110.2 - Reclamation of Roads, High-walls, Slopes, Dumps, etc.

Roads

Roads which did not exist prior to this operation will be graded to a slope of 2H: 1V max, then ripped to a depth of 24 inches to remove compaction and seeded. Roads on flat or gently sloping ground will be graded to blend the road crown and ditches with surroundings. Roads cut into steep slopes will be ripped and graded to drain toward the cut side to minimize erosion and encourage vegetation establishment. Growth medium which was bladed to the side to form berms will be redistributed over the road surfaces prior to ripping. The existing access road, which runs through the stockpile area, will be preserved, maintained and not reclaimed.

High-walls

When mining is completed, high-walls disturbed by AGR would be left at an overall 1H:1V or flatter angle to assure slope stability. The pit floors would be graded to drain at a 1% slope toward the remaining high-wall. As now planned, mining will continue as long as the metal economics will support the operation, at least 20 years.

Slopes

All slopes and floors within the disturbed, bonded areas will be ripped on the contour to relieve compaction and create a better seed bed (this is discussed further in Sub-section 110.5 below). The quarry floor will be graded to a 1% or greater slope, draining toward the previous high-wall area. Stockpiles will be transported to another facility for further processing. Amy material remaining will be ripped and graded as part of the general reclamation plan.

Impoundments, Pits, Ponds

The pits will not be backfilled except for the replacement of available overburden material on the floor of the pits. The pits will be mined to an overall 1H:1V high-wall slope therefore no further action is anticipated in these areas. The pit floor will be reclaimed with a 1% minimum slope to contain water against the high-wall, where water will percolate into the bedrock and/or evaporate.

Drainages

No drainages will be constructed or impacted by mining. During operations a Storm Water Management Plan will be put in place (Appendix 5). This plan describes the measures that will be taken to control sediment and other storm water related disturbance. When the operation is completed, disturbed areas will be leveled, ripped, seeded.

Dumps, Shafts and Leach Pads

Upon closure, any waste dumps will be graded to a 3H:1V slope or less. Any growth medium that is available will be spread on these surfaces and the areas will be ripped and then seeded.

Any shafts or underground openings developed or impacted by AGR will be fenced and closed as per DOGM regulations when the operation is closed. The project does not involve any underground mining.

Drill Holes

No drill holes outside of those required for blasting are anticipated. If any holes are drilled, they will be plugged and sealed as described in R647-4-108. There will be no drill holes left open when the site is reclaimed.

110.3 - Surface Facilities to be Left

All equipment used at the Highland Mist Mine will be provided by an independent contractor and is portable. No equipment will remain after closure of operations. No temporary buildings will be constructed for operations or the use of mining personnel. No surface facilities will remain after completion of mining activities and reclamation.

110.4 - Treatment, Location and Disposition of Deleterious Materials

Potentially hazardous and non-salvageable debris from demolition will be properly disposed of at an offsite facility. All excavation equipment, trucks, trailers, conveyors, crushers, screens and other equipment used for mining and processing of ore will be removed upon closure by contractor/owner, sold, recycled or transported to an appropriate disposal facility.

110.5 - Re-vegetation Planting Program and Topsoil Redistribution

After final contouring and grading of the pit floors, stockpile area, slopes and roads within the disturbed areas, surfaces will be ripped and/or scarified on the contour to relieve compaction and seeded. Ripping of compacted areas such as roads will be 24 inches deep. Other areas will be ripped to a depth of 12 inches and covered with growth medium.

Plant Growth Medium Replacement

All re-graded surfaces of the mine and access roads not needed to provide future access to the site will be reclaimed. Prior to placement of growth medium, all surfaces will be ripped to remove compaction or scarified depending upon their condition after re-grading to provide a roughened surface to receive the growth medium. Medium will be spread to a depth sufficient to facilitate re-vegetation. If sufficient growth medium is not available, cover material will be amended in order to facilitate re-vegetation.

Equipment used for this task may include a dozer, loader and trucks. In the event that sufficient growth medium is not recovered to cover all surfaces, the application thickness of growth medium may be reduced or the growth medium will be selectively applied. In the latter case, relative priority for the areas to receive replacement will be the mine sites and access roads. The thickness and amount of growth medium replacement will vary according to the viability of material being covered. Soil testing will be performed prior to placement to ascertain whether amendments will need to be added prior to seeding.

Seed Bed Preparation

Areas to be seeded will be ripped to a minimum depth of 12 inches by a dozer prior to seeding. Access roads not required for future access will be ripped to a depth of 18 inches to remove compaction, growth medium replaced, and seeded.

XI. R647-4-112 VARIANCE

No variance is requested.

XII. R647-4-113 - SURETY

A Reclamation surety is provided in Appendix 6.

XIII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(i)]

[Permit fee of Five Hundred Dollars \$500.00 enclosed with application]

XIV. SIGNATURE REQUIREMENT

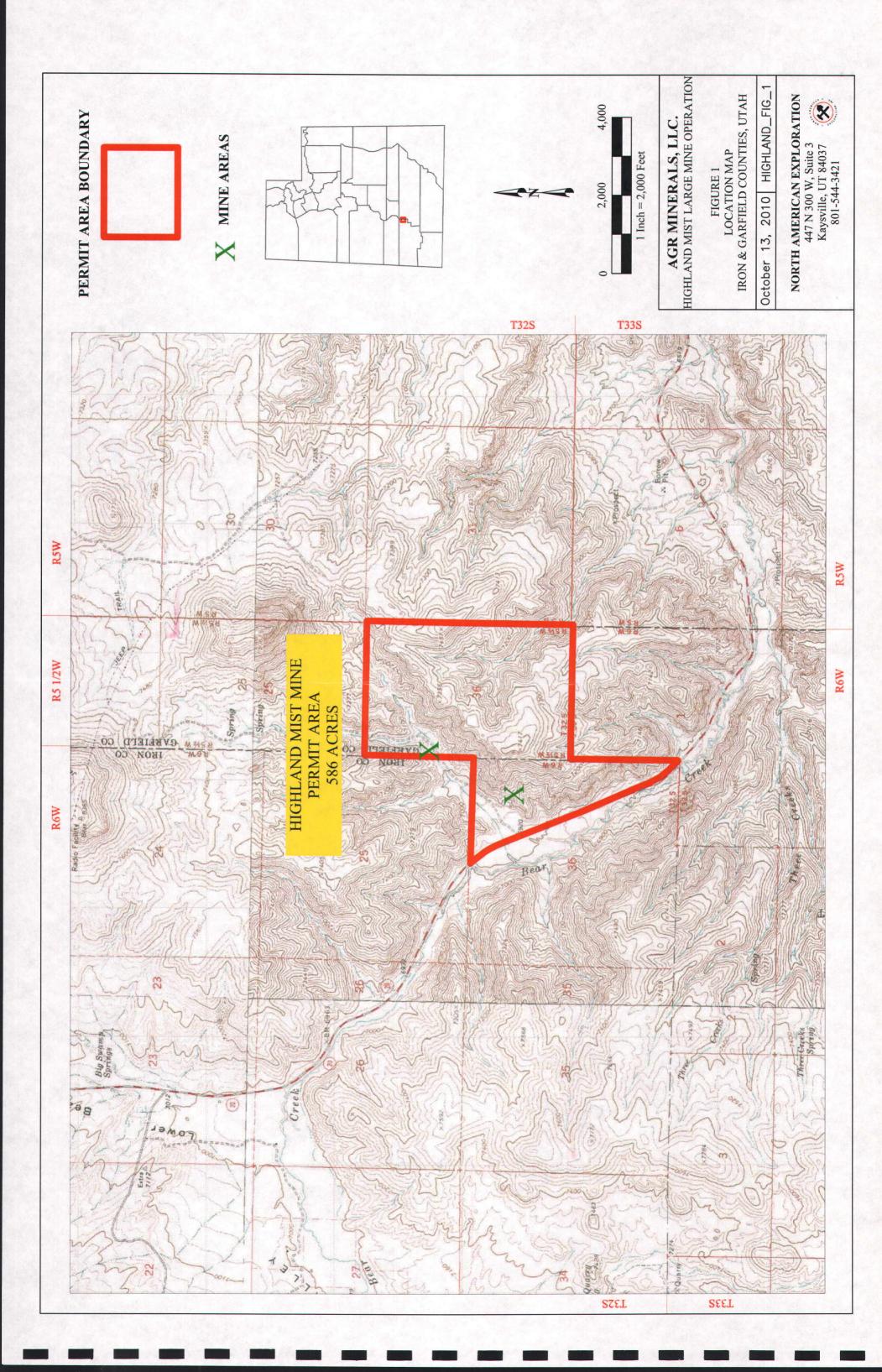
I hereby certify that the foregoing is true and correct. (Note: This form <u>must</u> be signed by the owner or officer of the company/corporation who is authorized to bind the company/corporation).

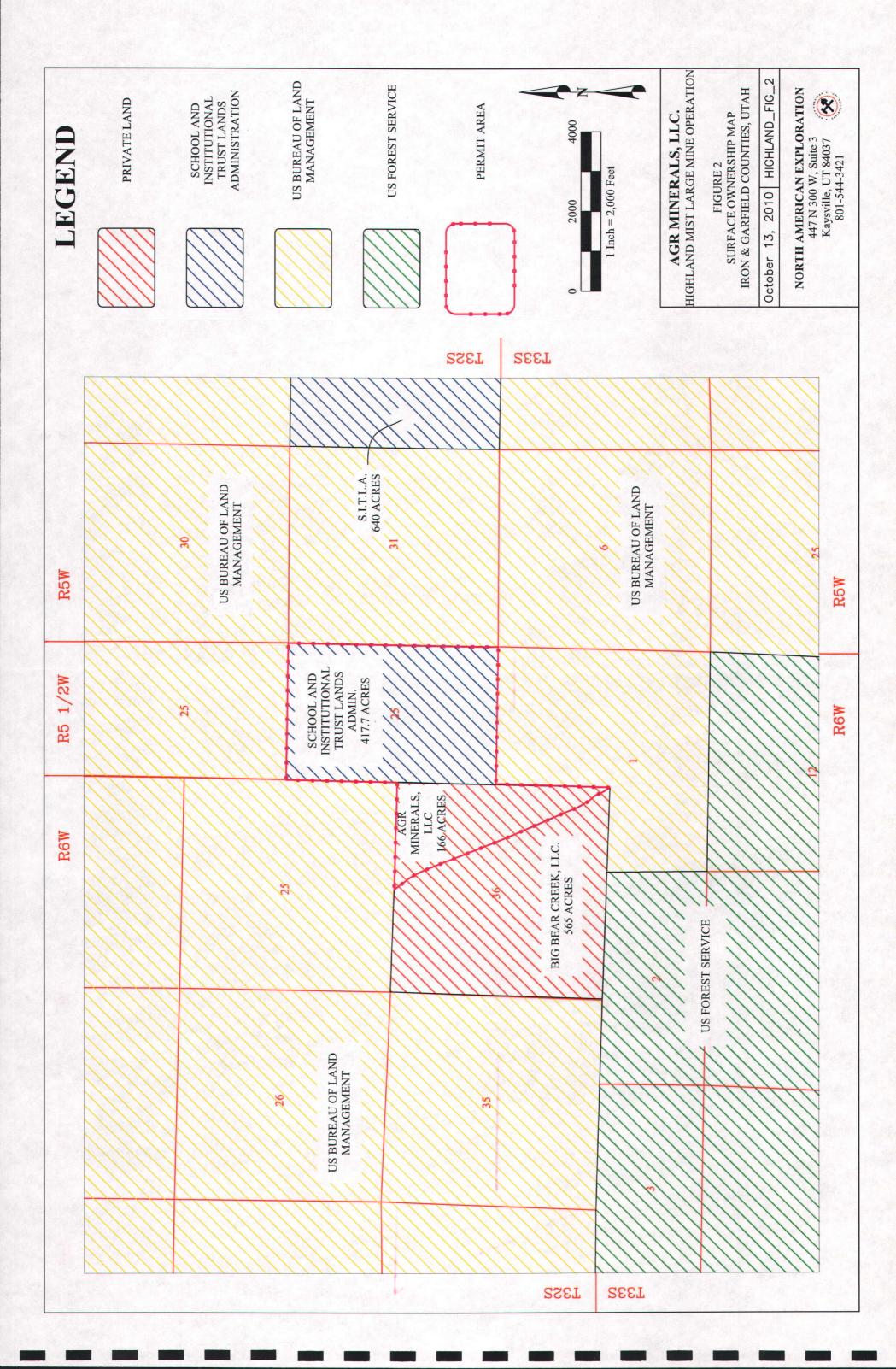
Name (typed or print): Jed Robinson

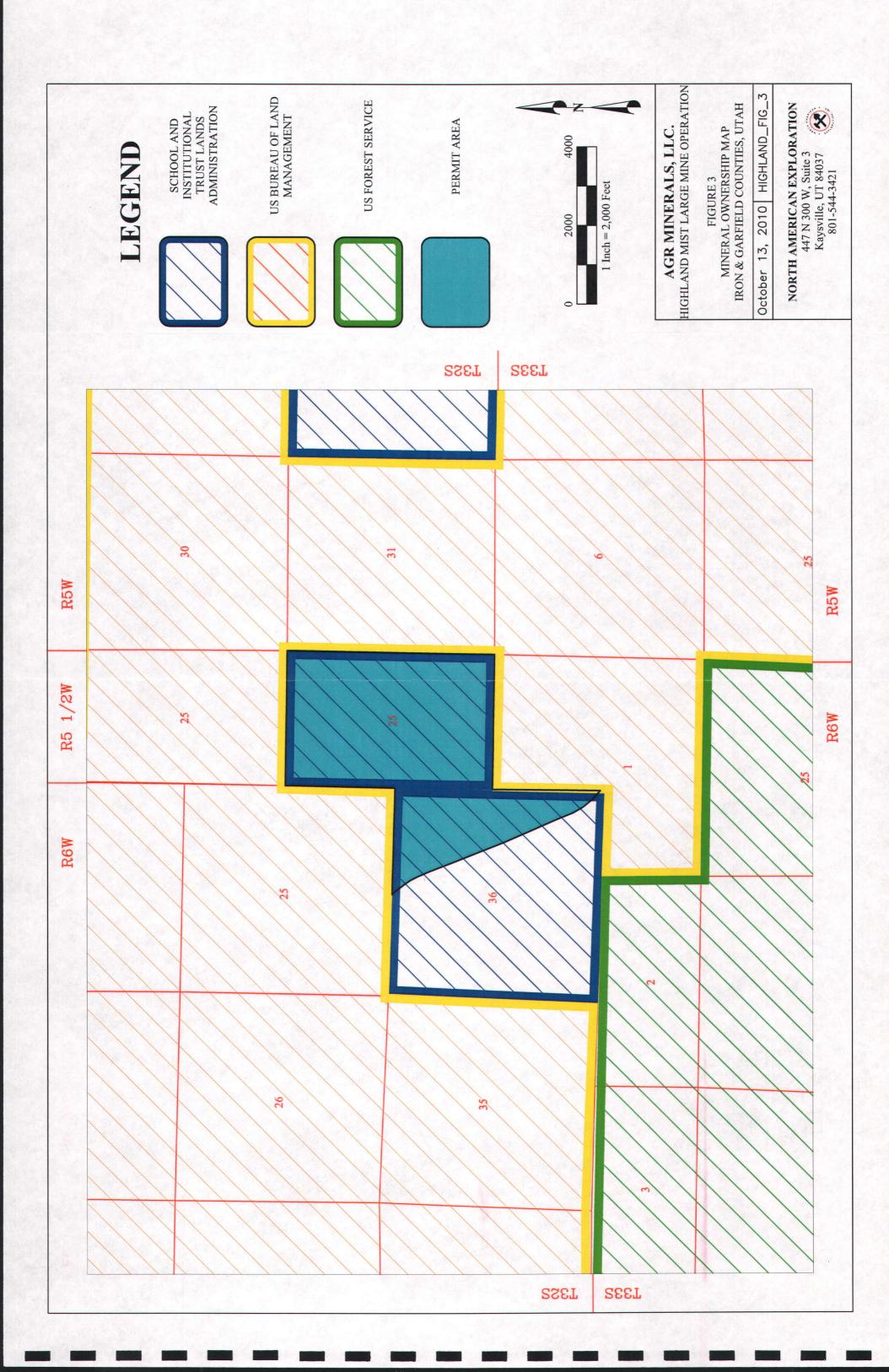
Title/Position (if applicable): Manager

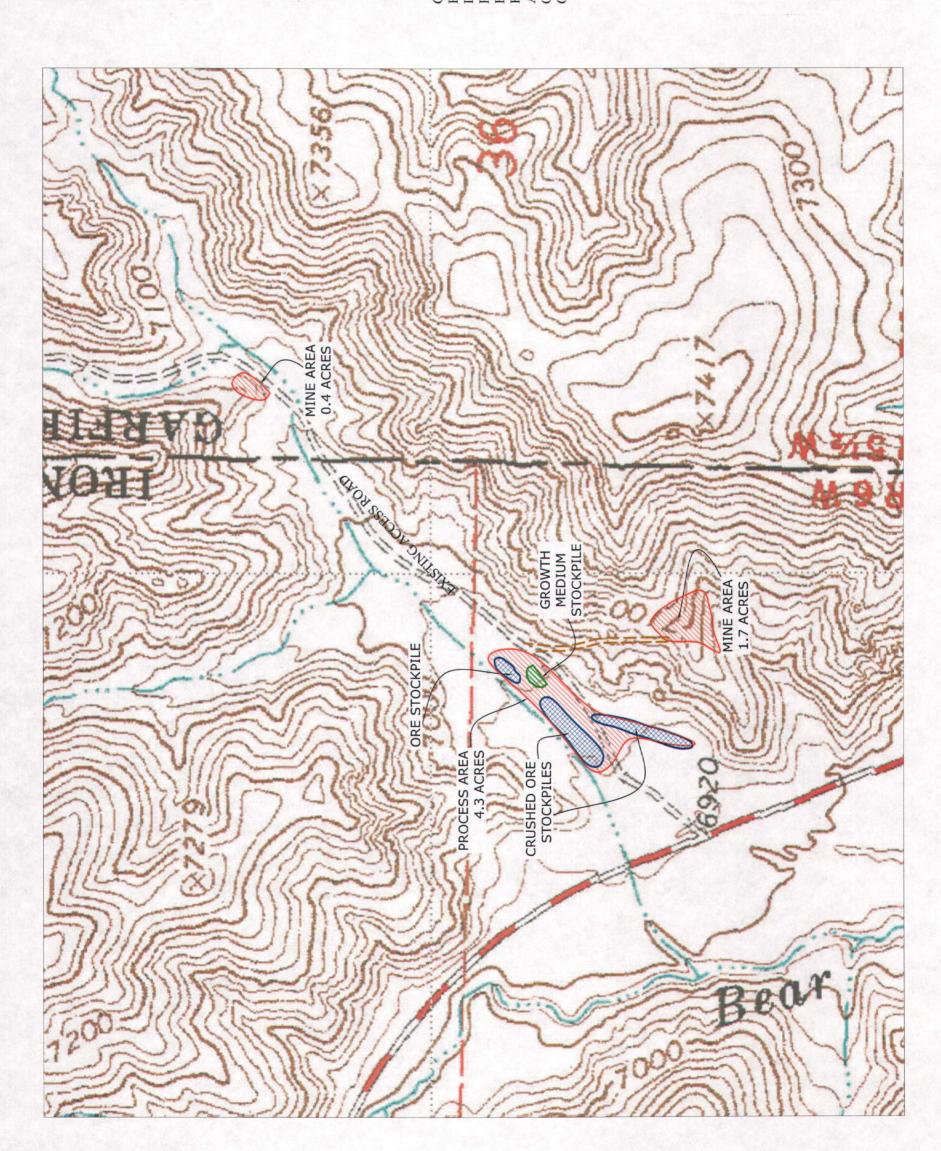
Date: 1/2/2012

Confidential Information Enclosed: () Yes (XXX) No









LEGEND



DISTURBED AREAS 6.4 ACRES



ORE STOCKPILES

GROWTH MEDIUM

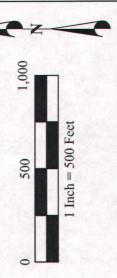


STOCKPILE



INTERMITTENT STREAM

FACILITIES NOT SPECIFIED ON THIS MAP ARE NOT KNOWN TO EXIST WITHIN 500' OF CURRENT AND PROPOSED MINING OPERATIONS. BUILDINGS, WATER BODIES, ROADS, LANDING STRIPS, POWER LINES, WELLS, PIPELINES AND OTHER TYPES OF EXISTING SURFACE OR SUBSURFACE GENERAL NOTE:



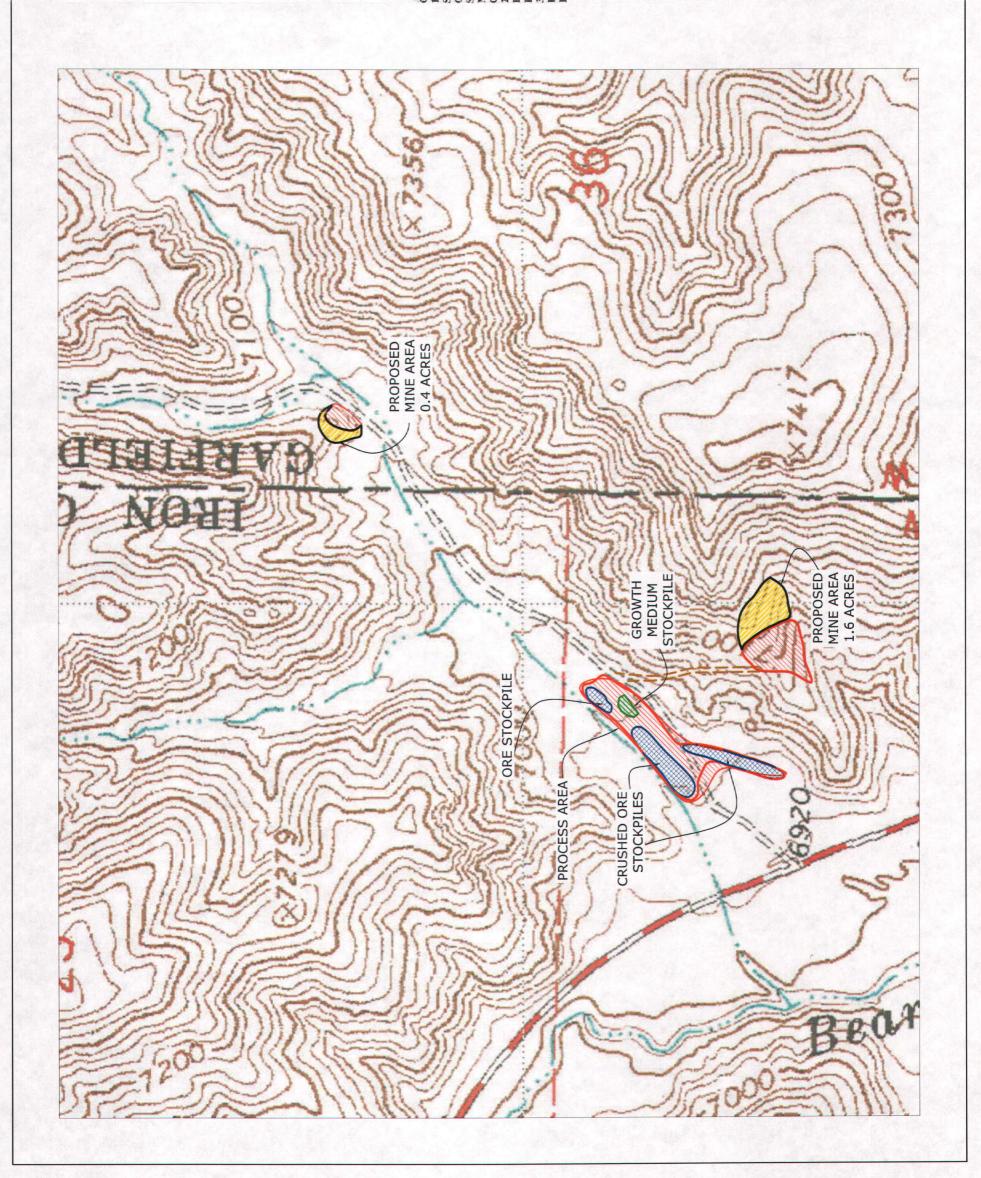
AGR MINERALS, LLC. HIGHLAND MIST LARGE MINE OPERATION

FIGURE 4
EXISTING SURFACE CONDITIONS
IRON & GARFIELD COUNTIES, UTAH

October 18, 2010 HIGHLAND_FIG_4

NORTH AMERICAN EXPLORATION 447 N 300 W, Suite 3 Kaysville, UT 84037 801-544-3421





LEGEND



PROPOSED MINE AREA 2.0 ACRES



ORE STOCKPILES

DISTURBANCE EXISTING

6.4 ACRES



GROWTH MEDIUM STOCKPILE



HAUL ROAD

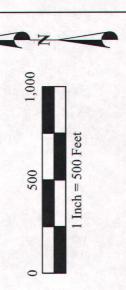
0.6 ACRES

GENERAL NOTES:

1) BUILDINGS, WATER BODIES, ROADS, LANDING STRIPS, POWER LINES, WELLS, PIPELINES AND OTHER TYPES OF EXISTING SURFACE OR SUBSURFACE FACILITIES NOT SPECIFIED ON THIS MAP ARE NOT KNOWN TO EXIST WITHIN 500' OF CURRENT AND PROPOSED MINING OPERATIONS.

2) ALL MINING OPERATIONS WILL BE PERFORMED BY A LICENSED CONTRACTOR, USING MOBILE EQUIPMENT.

3) ALL OVERBURDEN AND GROWTH MEDIUM WILL BE STOCKPILED ON AREAS OF EXISTING



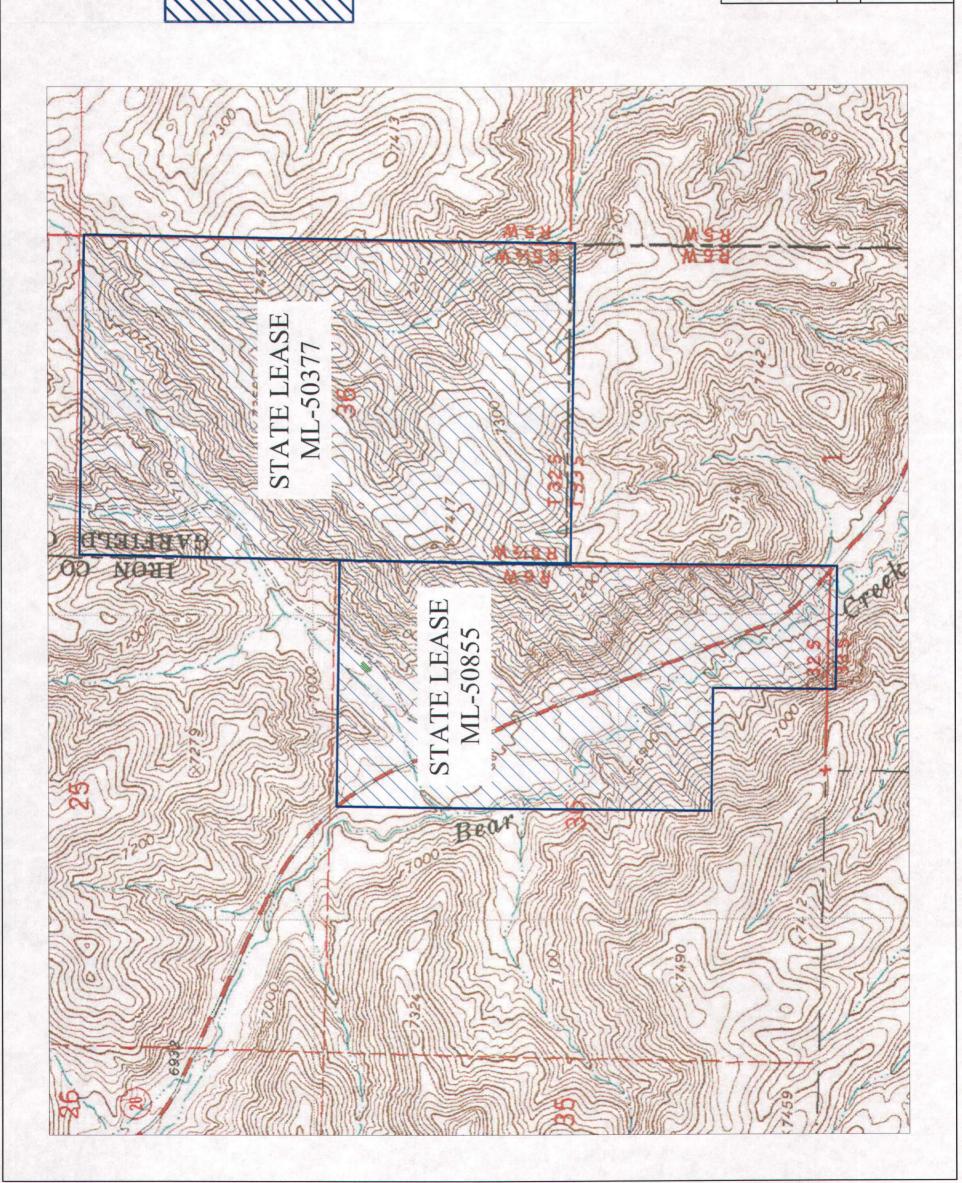
AGR MINERALS, LLC.

HIGHLAND MIST LARGE MINE OPERATION IRON & GARFIELD COUNTIES, UTAH PROPOSED MINING OPERATIONS FIGURE 5

October 18, 2010 HIGHLAND_FIG_5

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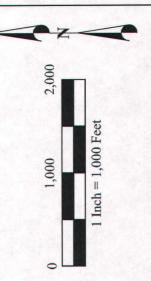


LEGEND

TRUST LANDS ADMINISTRATION MINERAL LEASE SCHOOL AND INSTITUTIONAL

ML50377 417.7 ACRES

ML50855 - 280 ACRES



AGR MINERALS, LLC.

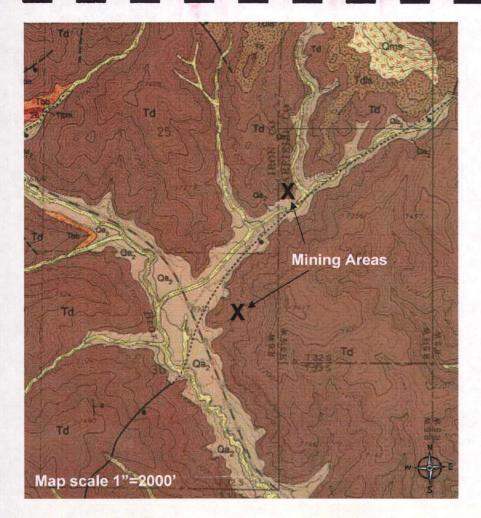
HIGHLAND MIST LARGE MINE OPERATION

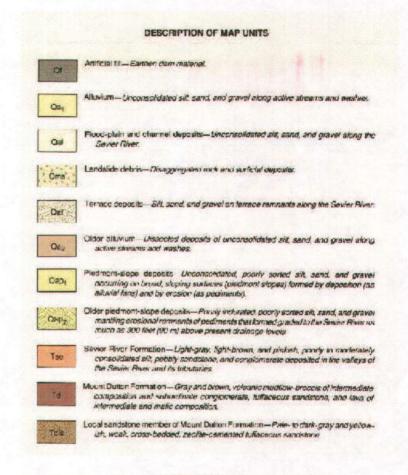
FIGURE 6
MINERAL LEASES
IRON & GARFIELD COUNTIES, UTAH

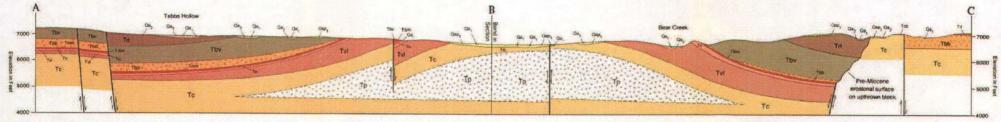
October 18, 2010 HIGHLAND_FIG_2

NORTH AMERICAN EXPLORATION 447 N 300 W, Suite 3
Kaysville, UT 84037
801-544-3421









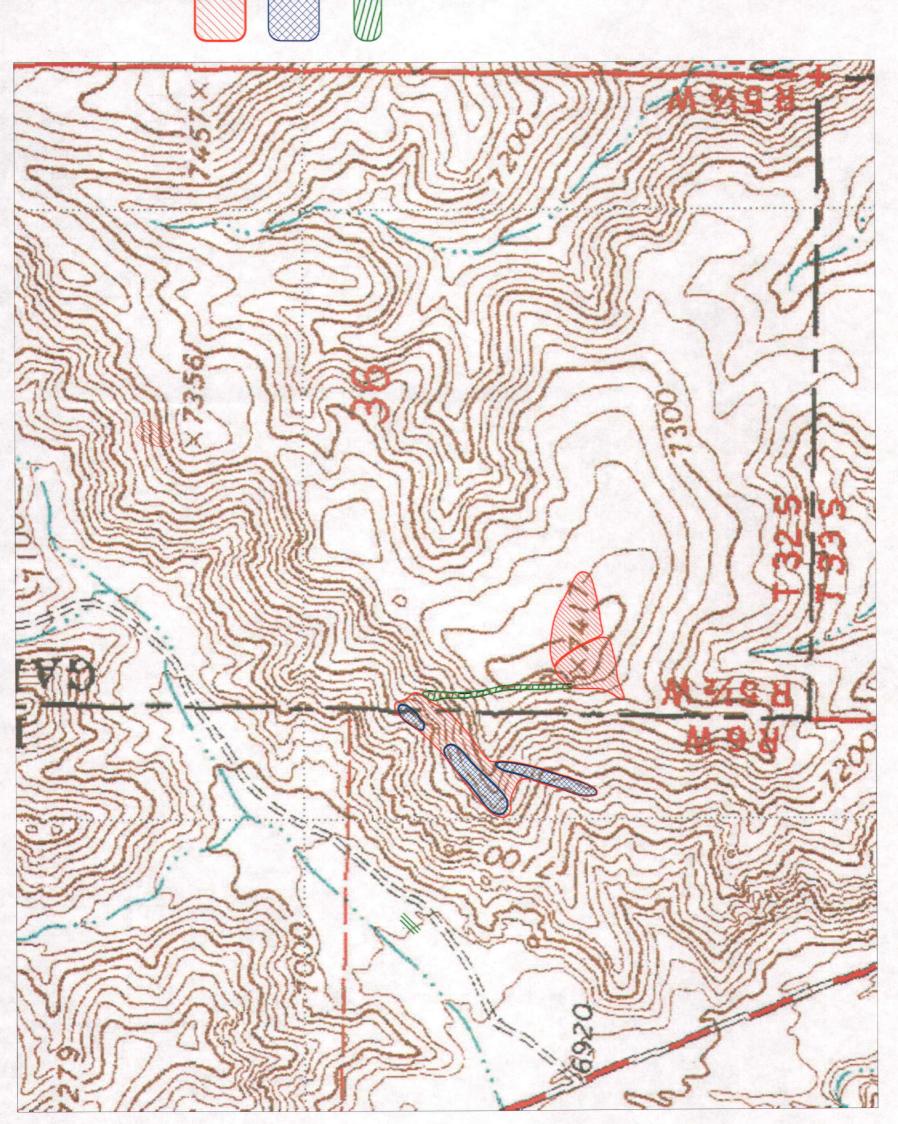
Highland Mist Large Mine Permit

GEOLOGY MAP

Map data taken from the Panguitch NW Quadrangle by John J. Anderson and Peter D. Rowley US Geological Survey 1987

North American Exploration, Inc. 447 North 300 West Suite #3 Kaysville, Utah 84037 May, 2010

Figure 7



RECLAMATION LEGEND



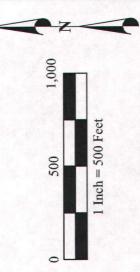
DISTURBED AREAS - 8.4 ACRES
RESTORE OVERBURDEN TO MINES,
REPLACE GROWTH MEDIUM,
RIP TO 12" & SEED



ORE STOCKPILES
GRADE ANY REMAINING MATERIAL TO 2H:1V
SLOPE, REPLACE GROWTH MEDIUM,
RIP 12" AND SEED



ACCESS ROAD - 0.6 ACRES GRADE TO MATCH SLOPE, REPLACE GROWTH MEDIUM, RIP 24" AND SEED



AGR MINERALS, LLC.

HIGHLAND MIST LARGE MINE OPERATION

FIGURE 8
RECLAMATION PLAN
IRON & GARFIELD COUTIES, UTAH

October 18, 2010 HIGHLAND_FIG_2

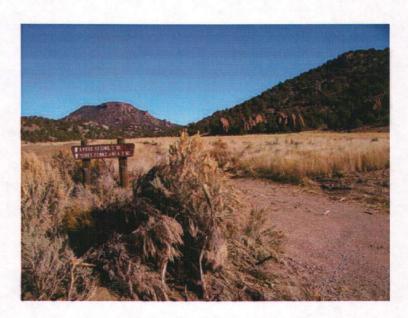
NORTH AMERICAN EXPLORATION 447 N 300 W, Suite 3
Kaysville, UT 84037
801-544-3421



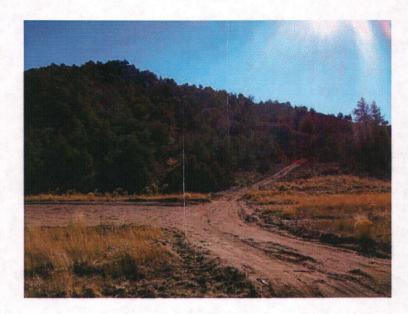
APPENDIX 1 PHOTOGRAPHS



Stockpile Area – Looking South



Stockpile Area – Pre Mine Looking North



Access Road to Mine - Looking East

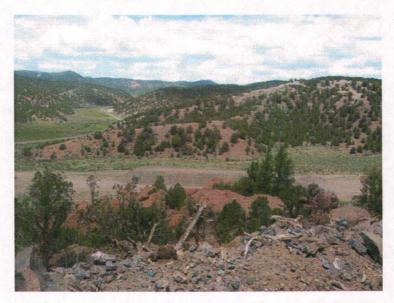


Garfield County Pit – Looking Northwest

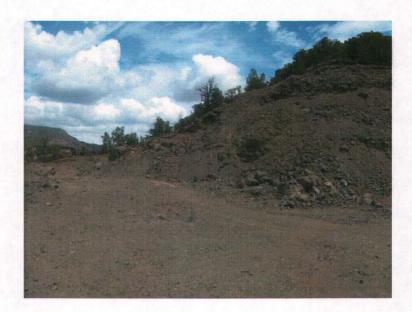


Stockpile Area – Looking South

Closest Piles are Growth Medium, then Ore and Crushed Ore



View of Stockpile Area from Iron County Pit – Looking West



Iron County Pit – Looking Northwest



Iron County Pit – Looking Northest

APPENDIX 2 SPILL PREVENTION, CONTAINMENT AND COUNTERMEASURES PLAN

SPILL PREVENTION, CONTAINMENT AND COUNTERMEASURES PLAN

AGR MINERALS, LLC.

HIGHLAND MIST MINE

Iron & Garfield Counties, Utah

AGR MINERALS, LLC. HIGHLAND MIST MINE Iron & Garfield Counties, Utah

Spill Prevention, Containment and Countermeasures Plan

I) Substances of Concern for Spills

- A) Diesel Fuel
- B) Used Motor oil
- C) Automotive Batteries
- D) Lime
- E) Allum
- F) Sodium Cyanide
- G) Soda Ash
- H) Hazardous Cyanide Leach Material
- I) Chlorine

II) Spill Prevention Measures

- A) A Material Safety Data Sheet (MSDS) for all chemicals, oils and other materials used in the project area will be readily available for review to all personnel.
- B) Fuel tanks must have a secondary containment not less than 1.5 times the capacity of the fuel tank.
- C) All Fuels, Oils and Chemicals will be stored in approved containers and volumes will not exceed MSHA and OSHA restrictions.

III) Spill Countermeasures and Cleanup Practices

- A) Immediately alert others in the area and the supervisor. Evacuate the area, if necessary.
- B) If there is a fire or medical attention is needed, contact fire suppression or medical professionals immediately.
- C) If a volatile, flammable material is spilled, immediately warn others in the area, control sources of ignition, and ventilate the area.
- D) Wear personal protective equipment, as appropriate to the hazards. Refer to the Material Safety Data Sheet or other references available for information.

- E) Attend to any persons who may be contaminated. Refer to MSDS sheets for materials and treatment of persons who have been exposed.
- F) If the spill is a MAJOR one, if there has been a release to the environment, or if assistance is needed, contact the Utah Department of Environmental Quality (DEQ).
- G) Ensure that containment berms and structures are in place and that the spill cannot be released into the environment. Spill socks and absorbents may be used to contain the spill and remove the spilled substance as well as any contaminated materials.
- H) When the spilled materials have been absorbed, use a brush or scoop to place materials in an appropriate container.
- I) Place the spilled materials in an approved container. Complete a hazardous waste tag, identifying the material as Spill Debris involving XYZ Chemical, and affix the sticker to the container or bag. Contact an appropriate supervisor for advice on storage and packaging for disposal.
- J) Place the container in a properly ventilated area until the next chemical waste pick-up.
- K) Replenish spill control materials.

APPENDIX 3 SOIL REPORTS



Soil Test Report and

Fertilizer Recommendations

USU Analytical Labs

Utah State University Logan, Utah 84322-4830 (435) 797-2217 (435) 797-2117 (FAX) www.usual.usu.edu

Date Received: Date Completed: 8/2/2010 8/17/2010

Name:

NORTH AMERICAN EXPLORATION

Address:

O. JAY GATTEN 472 N MAIN ST

KAYSVILLE UT 84037-1173

Phone: 801-546-6453

County:

Lab Number:

1002-4055

Grower's Comments:

Acres in Field:

Identification:

HM01

Crop to be Grown: Reclamation

Soil	Test Res	sults	Interpretations	Recommendations
Texture		Loamy Sand		
рН		8.05	Normal	
Salinity - ECe	dS/m	0.28	Normal	
Phosphorus - P	mg/kg	13	Adequate	0 lbs P2O5/A
Potassium - K	mg/kg	199	Adequate	0 lbs K2O/A
Nitrate-Nitrogen - N	mg/kg	1.67	H 12 12 15 15 15 15 15 15 15 15 15 15 15 15 15	32-52 lbs N/A
Zinc - Zn	mg/kg	0.05	Very Low	10 lbs Zinc/A
Iron - Fe	mg/kg	5.84	Adequate	
Copper - Cu	mg/kg	0.70	Adequate	
Manganese - Mn	mg/kg	2.92	Adequate	
Sulfate-Sulfur - S	mg/kg	3.6	Low	10-20 lbs Sulfur/A
Organic Matter	%	0.1		
SAR		0.68	Normal	

Notes

CEC: 22.8 cmol/kg

For further assistance, please see your County Agent --For further information and publications of interest, see the

USU Analytical Lab webpage

or Utah State University Extension

Methods Used by USUAL: pH + EC (salinity) + SAR by saturated paste; P + K by Olsen sodium bicarbonate extract – K by AA, P by ascorbic acid/molybdate blue colorimetric; NO3-N by CaO extract + cadmium reduction; Zn, Fe, Cu, Mn by DTPA + ICP; SO4-S by CaHPO4 + ICP; OM by Walkley-Black
Results only reflect the sample received and may not be indicative of actual field conditions.



Soil Test Report

Fertilizer Recommendations

USU Analytical Labs

Utah State University Logan, Utah 84322-4830 (435) 797-2217 (435) 797-2117 (FAX) www.usual.usu.edu

Date Received: Date Completed: 8/2/2010 8/17/2010

Name:

NORTH AMERICAN EXPLORATION

Address:

O. JAY GATTEN 472 N MAIN ST

KAYSVILLE UT 84037-1173

Phone: 801-546-6453

County:

Lab Number:

1002-4056

Grower's Comments:

Acres in Field:

Identification:

HM03

Crop to be Grown: Reclamation

Soil	Test Re	sults	Interpretations	Recommendations		
Texture		Sandy Loam				
pH		7.96	Normal			
Salinity - ECe	dS/m	0.26	Normal			
Phosphorus - P	mg/kg	4.6	Low	35-55 lbs P2O5/A		
Potassium - K	mg/kg	568	Very High	0 lbs K2O/A		
Nitrate-Nitrogen - N	mg/kg	3.55		24-44 lbs N/A		
Zinc - Zn	mg/kg	0.10	Very Low	10 lbs Zinc/A		
Iron - Fe	mg/kg	4.35	Low			
Copper - Cu	mg/kg	0.57	Adequate			
Manganese - Mn	mg/kg	3.32	Adequate			
Sulfate-Sulfur - S	mg/kg	4.0	Low	10-20 lbs Sulfur/A		
Organic Matter	%	0.8				
SAR	West of the second	0.53	Normal	A STATE OF THE STA		

Notes

CEC: 26.6 cmol/kg

For further assistance, please see your County Agent --For further information and publications of interest, see the

USU Analytical Lab webpage

or Utah State University Extension

Methods Used by USUAL: pH + EC (salinity) + SAR by saturated paste; P + K by Olsen sodium bicarbonate extract – K by AA, P by ascorbic acid/molybdate blue colorimetric; NO3-N by CaO extract + cadmium reduction; Zn, Fe, Cu, Mn by DTPA + ICP; SO4-S by CaHPO4 + ICP; OM by Walkley-Black Results only reflect the sample received and may not be indicative of actual field conditions.



Soil Test Report and Fertilizer Recommendations

USU Analytical Labs

Utah State University Logan, Utah 84322-4830 (435) 797-2217 (435) 797-2117 (FAX) www.usual.usu.edu

Date Received: Date Completed: 8/2/2010 8/17/2010

Name:

NORTH AMERICAN EXPLORATION

Address:

O. JAY GATTEN 472 N MAIN ST

KAYSVILLE UT 84037-1173

Phone: 801-546-6453 County:

Lab Number:

1002-4057

Grower's Comments:

Acres in Field:

Identification:

HM04

Crop to be Grown: Reclamation

Soil	Test Re	esults	Interpretations	Recommendations		
Texture		Sandy Clay Loam				
pН		7.23	Normal			
Salinity - ECe	dS/m	1.94	Normal			
Phosphorus - P	mg/kg	12.7	Adequate	0 lbs P2O5/A		
Potassium - K	mg/kg	177	Adequate	0 lbs K2O/A		
Nitrate-Nitrogen - N	mg/kg	6.12		16-36 lbs N/A		
Zinc - Zn	mg/kg	0.14	Very Low	10 lbs Zinc/A		
Iron - Fe	mg/kg	12.3	Adequate			
Copper - Cu	mg/kg	0.63	Adequate			
Manganese - Mn	mg/kg	9.14	Adequate			
Sulfate-Sulfur - S	mg/kg	4.0	Low	10-20 lbs Sulfur/A		
Organic Matter	%	1,3				
SAR		0.51	Normal			

Notes

CEC: 32.1 cmol/kg

For further assistance, please see your County Agent --For further information and publications of interest, see the

USU Analytical Lab webpage

or Utah State University Extension

Methods Used by USUAL: pH + EC (salinity) + SAR by saturated paste; P + K by Olsen sodium bicarbonate extract - K by AA, P by ascorbic acid/moly bdate blue colorimetric; NO3-N by CaO extract + cadmium reduction; Zn, Fe, Cu, Mn by DTPA + ICP; SO4-S by CaHPO4 + ICP; OM by Walkley-Black Results only reflect the sample received and may not be indicative of actual field conditions.



Soil Test Report

and Fertilizer Recommendations

USU Analytical Labs

Utah State University Logan, Utah 84322-4830 (435) 797-2217 (435) 797-2117 (FAX) www.usual.usu.edu

Date Received:

Date Completed:

8/2/2010 8/17/2010

Name:

NORTH AMERICAN EXPLORATION

Address:

O. JAY GATTEN 472 N MAIN ST

KAYSVILLE UT 84037-1173

Phone: 801-546-6453

County:

Lab Number:

1002-4058

Grower's Comments:

Acres in Field:

Identification:

HM05

Crop to be Grown: Reclamation

Soil	Test Re	esults	Interpretations	Recommendation		
Texture		Sandy Clay Loam				
pH	8 1	7.26	Normal			
Salinity - ECe	dS/m	0.29	Normal			
Phosphorus - P	mg/kg	8.5	Low	20-40 lbs P2O5/A		
Potassium - K	mg/kg	107	Adequate	0 lbs K2O/A		
Nitrate-Nitrogen - N	mg/kg	5.37		20-40 lbs N/A		
Zinc - Zn	mg/kg	0.20	Very Low	10 lbs Zinc/A		
Iron - Fe	mg/kg	10.6	Adequate			
Copper - Cu	mg/kg	1.31	Adequate			
Manganese - Mn	mg/kg	7.30	Adequate			
Sulfate-Sulfur - S	mg/kg	3,8	Low	10-20 lbs Sulfur/A		
Organic Matter	%	1.0				
SAR		0.46	Normal			

Notes

CEC: 27.7 cmol/kg

For further assistance, please see your County Agent --For further information and publications of interest, see the

USU Analytical Lab webpage

or Utah State University Extension

Methods Used by USUAL: pH + EC (salinity) + SAR by saturated paste; P + K by Olsen sodium bicarbonate extract - K by AA, P by ascorbic acid/molybdate blue colorimetric; NO3-N by CaO extract + cadmium reduction; Zn, Fe, Cu, Mn by DTPA + ICP; SO4-S by CaHPO4 + ICP; OM by Walkley-Black Results only reflect the sample received and may not be indicative of actual field conditions.

APPENDIX 4 ARCHAEOLOGICAL SURVEY REPORTS

INTERSEARCH

International Learning & Research, Inc.

Dr. Richard Thompson, President (801) 586 7870 (Work) (801) 586 6139

Georgia Beth Thompson Vice President-Administration (801) 586 7710 (Work) (801) 586 6139

Barbara W. Frank Vice President-Field Operations (801) 586 0776 Archelogical Consultants

April 15, 2005

Mr. O. Jay Gatten
North American Exploration, Inc.
447 North 300 West
Suite 3
Kaysville, UT 84037-4203

Dear Mr. Gatten:

This letter summarizes the results of a small, negative archeological survey conducted by Intersearch, Inc for the Highland Mist Mine northwest of Panguitch, Utah. The inventory consisted of two parcels, located within one-half mile of each other, one in Iron County and one in Garfield County (State Metalif Lease ML 49567 and MF 49568). Both are located on lands administered by the Utah State Division of Oil, Gas and Mining (Fig. 1). The fieldwork was carried out on April 7, 2005, with Barbara W. Frank serving as both the Principal Investigator and Field Supervisor for the project. The survey was conducted with the aid of Barry Frank, and under the authorization of Utah State Antiquities Project No. U-05-IG-0251s. This work was requested by SITLA.

The project area consisted of two parcels located approximately 10 miles northwest of Panguitch, Utah along State Route (SR) 20, roughly 5 miles west of Bear Valley Junction on Highway 89. The first, a ca. 3 acre area, is located in Iron County, in the SW ¼, NE ¼, NE ¼ of Section 36, T32S, R6W(SLM). It ranges in elevation from 6940 to 7100 ft, placing it within the Upper Sonoran life zone on a steep slope. The second ca. 1 acre area is located in Garfield County, just northwest of the first area, in the NW ¼ of Section 36, T32S, R5 ½ W at an elevation of 7060 to 7100 ft. Both of these areas are located within the foothills of the Markagunt Plateau, on a tributary drainage of Bear Creek. This places the project acreage in the Southern High Plateaus section of the Basin and Range-Colorado Plateau Transition physiographic zone. Vegetation consisted of scattered juniper trees, low sage, and sparse grasses in gravelly, colluvial and alluvially deposited sandy soils.

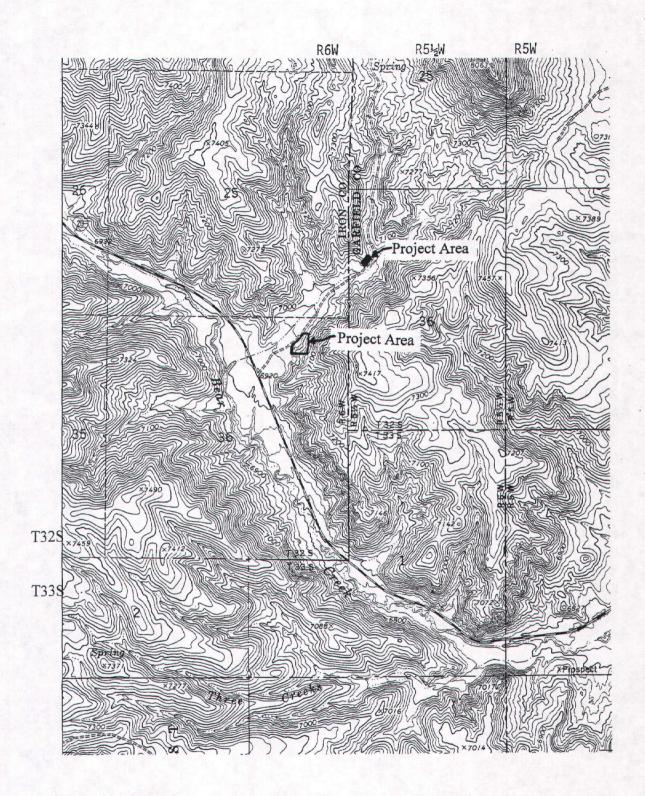
A records search conducted at the Cedar City BLM District Office in Cedar City indicated that no cultural resource inventories had been conducted within the immediate project areas, although two had been conducted within a mile of the areas. A survey for the Utah Department of Transportation (UDOT) was conducted along the State Route 20 corridor from Bear Valley Junction in 1995 by SWCA (U-95-ST-0205b,p), but no archeological sites were recorded near the proposed project areas. A seismic line survey was conducted to the northwest of the project area in 1981 by UTARC for Sefel Geophysical, and it was negative for cultural resources.

The project areas were inventoried by an intensive pedestrian survey that consisted of walking a series of 15 m wide contiguous, parallel transects over the staked areas. No cultural resources were observed during the survey.

The negative results of this cultural resource inventory recommends that the mining work associated with the project areas may proceed as planned without impacting the local archeological data base.

Sincerely, Barbara W. Frank

Barbara W. Frank Principal Investigator



Highland Mist Mine Survey Project Map USGS Panguitch NW 7.5' (1971) (U-05-IG-0251s)

APPENDIX 5

STORM WATER

MANAGEMENT PLAN

AGR Minerals, LLC.

Highland Mist Mine - Large Mine Operation Iron & Garfield Counties, Utah

STORM WATER MANAGEMENT PLAN

Prepared By
North American Exploration
447 N 300 W, Suite 3
Kaysville, UT 84037

Highland Mist Mine Storm Water Management Plan

Table of Contents

1. UPDES Permit	2
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1. UPDES Permit

In 1972, Congress passed the Federal Water Pollution Control Act (FWPCA), also known as the Clean Water Act (CWA), to restore and maintain the quality of the nation's waterways. The ultimate goal was to make sure rivers and streams were fishable, suitable for swimming, and drinkable. In 1997, the Water Quality Act (WQA) added provisions to the CWA that allowed the EPA to govern storm water discharges from industrial activities. EPA published the final notice for Phase 1 of the Multi-Sector General Storm Water Permit program (Federal Register Volume 60 No. 189, September 20, 1995, page 50804) in 1995 which included provisions for the development of a Storm Water Pollution Prevention Plan (SWPPP) by each industrial facility discharging storm water.

The Utah Division of Water Quality developed the state-wide Utah Pollutant Discharge Elimination System (UPDES) program based on the federal standards. Utah is now in charge of its own state program- that is, it has "primacy" over the federal program.

The UPDES Permit is the mechanism Utah uses to regulate "point-source" discharges, including storm water discharges, to surface waters of the State. The SWPPP provides a site-specific, operator-driven set of pollution control standards for any discharges that occur at a particular industrial facility. A state-wide "General Industrial Storm Water Permit" provides a blanket UPDES permit to those operators who certify that their SWPPP meets the standards set out in the UPDES program. The program has different standards depending on the industrial sector involved.

1.1 Waiver

The Utah Division of Water Quality does not require a UPDES Permit for Metal Mining (Ore Mining and Dressing), Standard Industry Classification (SIC) code 10, when runoff does not contact overburden, raw material, intermediate products, finished products, byproducts or waste products located on the site of such operations. This facility does not discharge storm water and is not required to obtain a UDPES permit. The facility shall be inspected and evaluated for the necessity of a permit whenever:

- 1. There is a significant change in the acreage disturbed; or a significant change to the design, construction, operation, or maintenance of on-site facilities that could have a significant effect on the quantity of runoff;
- 2. The inspection reveals a new discharge of water or one that has not previously been recognized by facility personnel.

If the evaluation reveals that the facility is no longer capable of containing runoff, and a significant discharge is found, then a UPDES permit shall be acquired and a SWPPP shall be implemented. The SWPPP shall be specific to the site and follow the guidelines as outlined for the sector under which the facility operates.

2. Storm Water Management Plan (SWMP)

AGR Minerals, LLC. has prepared a general SWMP that is adaptable to all of its operations. This SWMP has been adapted for the needs of the Highland Mist Mine Large Mine Operation near Panguitch, Utah. This site is in an arid portion of Juab County that is sparsely populated. Development, implementation, and maintenance of this SWMP will provide AGR Minerals, LLC. with the means to reduce storm water pollutants at the facility.

The primary goals of the SWMP are:

- Identify potential sources of pollutants that affect storm water at the site;
- Describe the practices that will be implemented to prevent or control the release of pollutants in storm water;
- Evaluate the plan's effectiveness in reducing the pollutant levels in storm water;
- Train employees on effective storm water management

2.1 Facility Contacts

Jed Robinson AGR Minerals, LLC. 160 W Canyon Crest Road Alpine, UT 84004 (801) 216-8850

2.2 Facility Maps

The following maps are included:

o SWMP - 1 Storm Water Management Plan

SWMP - 2 Sediment Pond Details

2.3 Facility Cross Sections

A cross section specific to this facility showing the general layout for storm water check dams and sediment ponds is shown on SWMP-2. At this time no such structures are planned for the project. If, during the course of mining storm water cannot be contained with the pits, check damns and/or sediment ponds will be considered to reduce sediment transfer.

2.4 Storm Water Collection

The mine is located on the border of Iron and Garfield Counties, about ½ mile northeast of State Route 20. Approximate elevation of the mine operation is 7,000ft. Natural slopes of the terrain surrounding the mine site range from 5% grade to 40% grade. The surface soils generally absorb precipitation. Historical observations of flowing storm water have

AGR Minerals, LLC.

Highland Mist Mine LMO, Storm Water Management Plan

demonstrated brief flows in the intermittent stream beds and rapid absorption into surface materials after the storm events concluded. The mine is currently operated with a small mine permit. Although the size of the pits will increase, the pits will be deep enough to contain storm water. The existing process area, stockpiles and access roads have been designed to minimize run off. Small berms surround stockpiles to prevent soil erosion. A Check dam may be constructed down gradient from the process and stockpile area. See SWMP Figure 1. Any water flowing from this area will slowly pass the dam, and sediment will remain in the channel above the dam where it can routinely be removed.

Within the Highland Mist Mine there are 2 general types of watershed soils. The first is undisturbed and sparsely vegetated soil. The second type of watershed includes disturbed areas from mining facilities which consist of spoil stockpiles, waste dumps, roads, parking areas and other compacted soils.

Each of the watersheds has a different absorption rate. In general, native soils in the area have a runoff coefficient of 0.4 (they retain 60% of storm water). Spoil stockpiles, roads and mine areas are all considered disturbed soils and have of runoff coefficient of 0.6.

There are approximately 278 acres up-gradient from the main wash which passes the process area. During the mining lifecycle, as many as 9 acres of the zone will be disturbed. Peak run off in the wash during a 24 hour 10 year event will be approximately 30 CFS.

	Pea	Table 2 k Runoff Calculation			
	Runoff Coefficient	Rainfall Inches / 24 Hour	Acres	Peal	Runof
Undisturbed Area	0.4	1.64	36.5	450	1.0
Disturbed Areas	0.6	1.64	9	165	0.4
			Total Peak Runoff	615	2.4

3. Pollutant Sources

3.1 Inventory of Materials

Chemicals used by this facility that have the potential to be present in storm water runoff are listed in the following table. This table includes information regarding material type, chemical and physical description, and the specific regulated storm water pollutants associated with each material.

Trade Name Material	Chemical/Physical Description	Storm Water Pollutants
Waste fuel (motor oil, spent solvents, cleaning fluids, etc)	Various colored liquids, pastes, and solids, petroleum hydrocarbons	Mineral oil, petroleum distillates
Gasoline	Colorless, pale brown or pink	Benzene, ethel benzene, toluene
Diesel Fuel	Colorless or pink liquid.	Nonane, ethyltoluenes, Naphthalene

3.1.1 Practices used to minimize contact of materials with rainfall and runoff

- Material piles are kept in a compact shape to minimize surface area.
- Materials are stored on areas with minimal slope that do not pond. No materials are stored within a drainage channel.
- Storm water will gradually be absorbed into surface materials or dissipate into the atmosphere through evaporation.

3.1.2 Existing nonstructural controls that reduce pollutants in storm water runoff

- Regular maintenance of machinery and equipment minimizes spills and leaks.
- Quarterly inspections of fluid containers to check for leaks and deteriorations. Any leaks identified during the inspection will be immediately cleaned using a dry absorbent.
- An emergency spill kit with the supplies necessary to clean a fuel spill (a broom, a shovel, sand, saw dust, a 55-gallon drum) is stored in a convenient location near the fueling station area and in the shop so they will be immediately available in the event of a spill.
- A spill prevention plan is implemented as a resource to prevent spills, or in the event
 of a spill, to aid in the clean-up process. The plan addresses proper procedures and
 maintenance of the fuel and oil products and equipment, and identifies supplies and
 equipment for quick spill response.

3.1.3 Structural controls that reduce pollutants and storm water runoff

- Structural controls that reduce contaminates in storm water runoff include: oil/water separators, retention ponds, berms/swales, and secondary containment for fuel/oil.
- All liquid storage units at the site will be placed within secondary containment structures sufficient to hold 110% of the storage unit capacity.

3.2 Risk Identification and Summary of Potential Pollutant Sources

3.2.1 Loading and unloading operations

 Sediment can fall from loaders while dump trucks are being loaded with mining materials. Minor fuel and oil leaks can drain from equipment used at the loading site.

3.2.2 Outdoor manufacturing/process activities

- Parking areas: Employees park their vehicles in a designated parking area. Storm water from this area can be potentially contaminated by leaking fluids from the parked vehicles. These contaminants may contain mineral oil, petroleum, distillates, benzene, ethyl benzenes, toluene, xylene, and MTBE (Methyl Tertiary Butyl Ether).
- Fueling areas: Fueling activities are performed at the fuel storage areas. Storm
 water from these areas can be potentially contaminated by fluids leaking from the
 trucks during refueling activities and spills and leaks at the fueling station. These
 contaminants may contain mineral oil, petroleum distillates, benzenes, ethyl
 benzene, toluene, xylene, and MTBE.
- Mineral Truck loading/unloading areas: Trucks unload ore in the stockpile area. Storm water from this area can be potentially contaminated by fluids leaking on to the gravel surface from the trucks and by other spills. These contaminants may contain mineral oil, benzene, toluene, xylene, MTBE, silicon, dissolved, solids, suspended solids, calcium sulfate, tricalcium aluminate, and tetracalcium aluminoferrite.

3.2.3 Dust/particle generating activities

Dust is generated as materials are loaded/unloaded, moved from one stockpile to another. Dust from roads and materials may be sprayed with water to control fugitive dust.

3.2.4 On-site waste disposal practices

Sources of waste include office waste, employees' lunch waste, small lubricant cans and buckets. Any of these waste sources could become scattered across the site due to wind, inadequate disposal containers or sloppy employee housekeeping. Trash cans are provided and emptied on a regular basis to ensure no storm water is adversely affected. Portable toilets may be provided for on site personnel. Portable toilets will be serviced on a regular basis by a contractor.

AGR Minerals, LLC.

Highland Mist Mine LMO, Storm Water Management Plan

4. Measures and Controls

This section discusses the storm water management controls implemented at the facility and describes the management practices selected to address the areas of concern identified in Section 3 of this SWMP.

4.1 Good Housekeeping

Good housekeeping Best Management Practices (BMP's) refers to ongoing or regular practices that ensure that areas of the facility with a potential to contribute pollutants to storm water are kept clean and orderly. The following comprise some of the good housekeeping practices that are routinely followed:

- Litter is controlled through employee awareness, trash receptacle placement, and frequent cleanup, among other controls. New employees are instructed in litter control as part of their initial training. Wind blown litter and other debris is periodically cleaned up from the entire site.
- Fueling and servicing takes place in designated areas away from surface water collection areas.
- To reduce the chance of spills during fueling, the equipment operator remains at the fueling point while the tank is being filled. All valves are opened immediately prior to, and closed immediately after fueling.
- Tanks and drums are refilled and/or re-supplied between on a periodic basis, these tanks and drums are secondarily contained.
- A spill kit is maintained on site to absorb any spilled fuel.
- A detailed description of preventative and clean-up measures for fuel and oil spills can be found in the SPCC which is kept on site at all times.

4.2 Preventive Maintenance

- Vehicles, equipment, and machinery are kept in good working order so that their likelihood of discharging fluids that could contact storm water is minimized
- Water systems used in dust control are regularly maintained to avoid small, chronic leaks or larger volume releases.
- Earthen slopes and retention berms are maintained in order to reduce erosion and storm water transport of their materials.
- The inspection procedures discussed in Section 4.4 ensure that items requiring
 maintenance are identified. If maintenance is needed, items are repaired as soon
 as practicable. During the next inspection, special attention is paid to those items
 in order to verify that maintenance activities were adequately completed.

4.3 Other Controls

All waste created during operations are removed from the area and disposed of appropriately. No trash or other pollutants will be buried on site. All applicable Federal, State and or local waste disposal regulations will be complied with. Any gasoline, diesel fuels, lubricants, and other potential pollutants stored on the property are stored in double-walled tanks. Grease, oil, and lubricants are stored within an enclosed area and are inventoried on a regular basis.

4.4 Inspections

Once a quarter, material handling and storage areas, drum storage areas, conveyors, hoppers, and stockpile areas are inspected to assure that there are no leaks, fuel or oil contamination, or other signs that hydrocarbons are uncontrolled. Storm water control structures and equipment such as berms, sediment control and collection systems, and containment structures are also inspected to ensure continued proper operation. Inspections are conducted quarterly during each of the following periods: January to March, April to June, July to September, and October to December.

As stipulated in the SPCC plan, fuel and oil products, and their containment systems will be inspected in accordance with the SPCC plan inspection schedule.

4.5 Employee Training

An employee training program will be developed and implemented to educate employees about the requirements contained in these plans and other plans relating to storm water management and spill prevention. This education program will include the following:

- Background on the components and goals of storm water pollution prevention
- Hands on training in spill prevention and response
- BMP's to be used at the facility
- Education on storm water pollution prevention
- Question and answer session
- Other topics considered pertinent during each session

All new employees will be trained within one week of their start date. Additionally, employees will be required to participate in an annual refresher training course. The training program will be reviewed annually to determine its effectiveness and to make any necessary changes to the program.

5. Precipitation Data

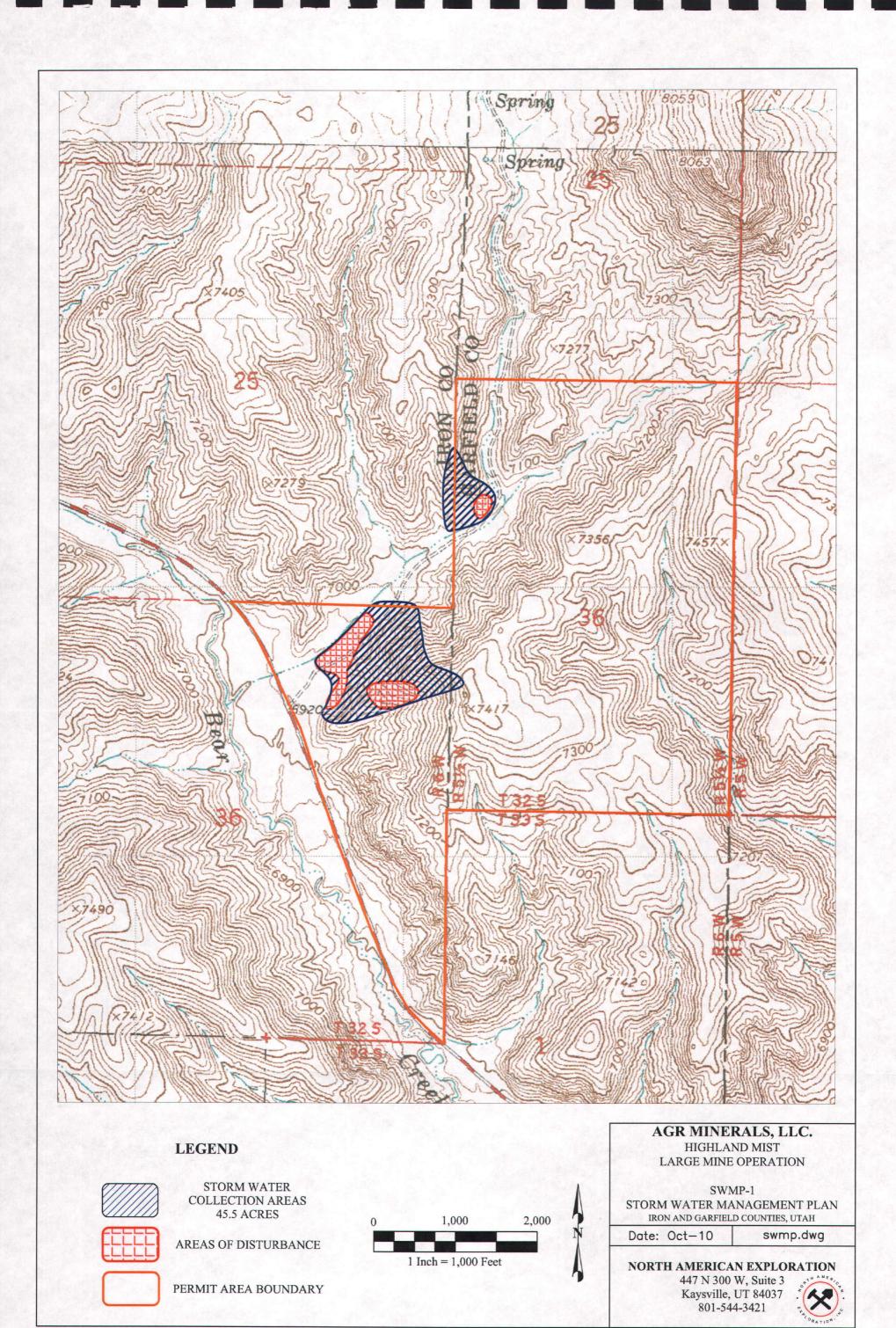
POINT PRECIPITATION FREQUENCY ESTIMATES FROM NOAA ATLAS 14

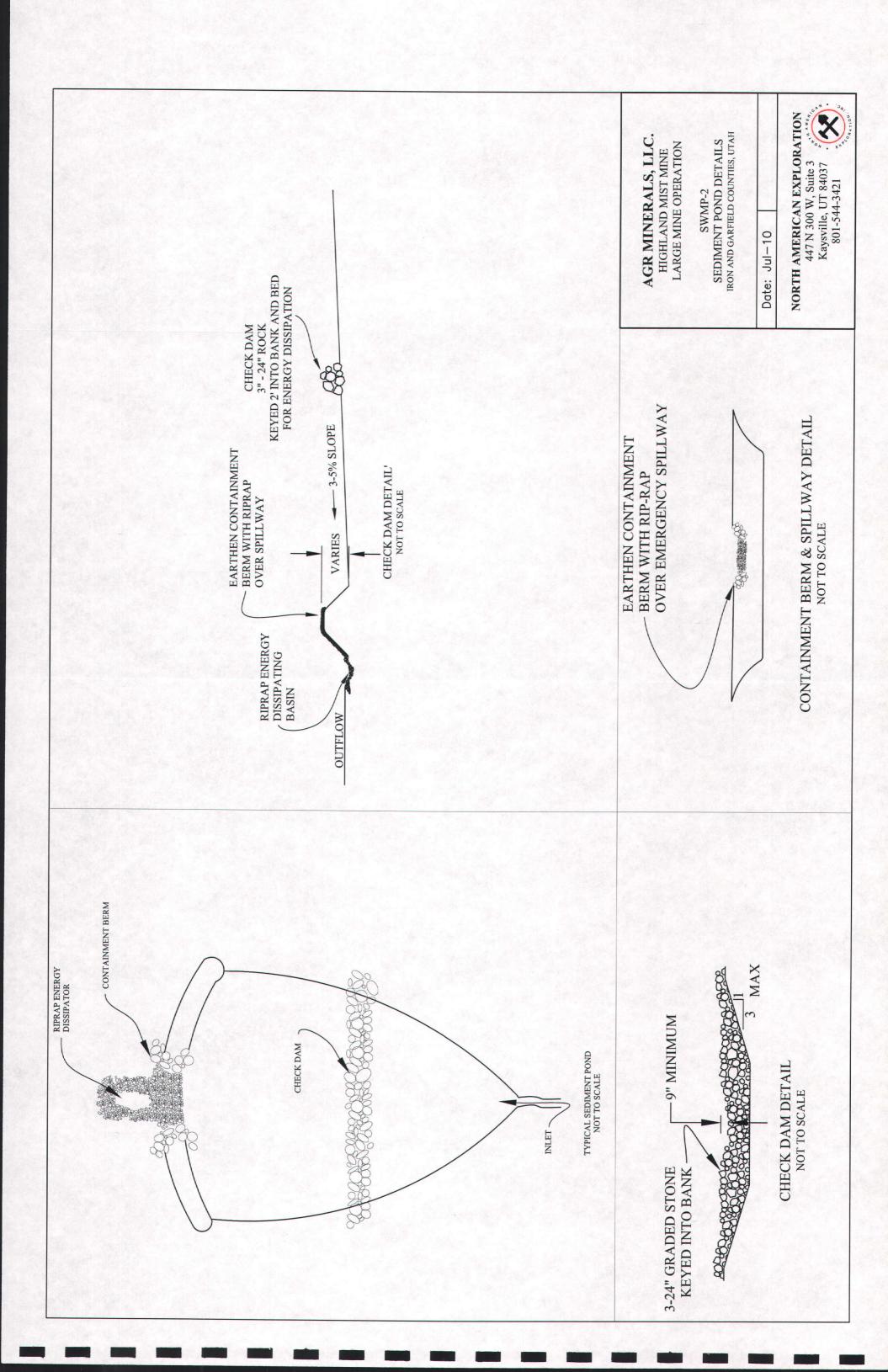
Utah 37.955 N 112.418 W 6466 feet

from "Precipitation-Frequency Atlas of the United States" NOAA Atlas 14, Volume 1, Version 4
G.M. Bonnin, D. Martin, B. Lin, T. Parzybok, M.Yekta, and D. Riley
NOAA, National Weather Service, Silver Spring, Maryland, 2006
Extracted: Fri May 7, 2010

					Prec	ipitat	ion Fr	eque	ncy E	stima	tes (ii	nches)			- Alleria		
ARI* (years)	5 min	10 min	15 min	30 min	60 min	120 min	3 hr	6 hr	12 hr	24 hr	48 hr	4 day	7 day	10 day	20 day	30 day	45 day	60 day
1	0.11	0.17	0.22	0.29	0.36	0.45	0.50	0.63	0.78	0.94	1.04	1.18	1.35	1.49	1.89	2.26	2.72	3.10
2	0.15	0.22	0.28	0.37	0.46	0.56	0.64	0.79	0.97	1.17	1.28	1.45	1.66	1.83	2.33	2.79	3.35	3.82
5	0.21	0.32	0.39	0.53	0.65	0.76	0.83	1.00	1.20	1.43	1.55	1.74	2.00	2.20	2.79	3.32	4.00	4.57
10	0.26	0.40	0.49	0.66	0.82	0.94	1.00	1.17	1.40	1.64	1.77	1.99	2.26	2.50	3.15	3.72	4.47	5.11
25	0.35	0.53	0.65	0.88	1.09	1.22	1.27	1.44	1.67	1.93	2.08	2.35	2.62	2.89	3.59	4.22	5.05	5.79
50	0.42	0.65	0.80	1.08	1.33	1.48	1.51	1.66	1.89	2.16	2.32	2.62	2.88	3.17	3.91	4.57	5.45	6.25
100	0.52	0.78	0.97	1.31	1.62	1.78	1.80	1.92	2.11	2.40	2.57	2.92	3.15	3.46	4.21	4.89	5.81	6.67
200	0.62	0.95	1.17	1.58	1.96	2.14	2.15	2.24	2.40	2.64	2.82	3.22	3.40	3.73	4.49	5.19	6.12	7.04
500	0.79	1.20	1.49	2.01	2.49	2.72	2.72	2.81	2.85	2.97	3.16	3.63	3.73	4.08	4.83	5.54	6.44	7.44
1000	0.94	1.44	1.78	2.40	2.96	3.24	3.27	3.33	3.34	3.37	3.42	3.96	3.97	4.33	5.05	5.77	6.61	7.68

^{*} These precipitation frequency estimates are based on a partial duration series. ARI is the Average Recurrence Interval.





APPENDIX 6

SURETY

Dragon Mine	Bond Amount		July 29, 2010
Bonding Calculations			
Direct Costs*			
Subtotal Demo	ition and Removal		\$2,510.00
Subtotal Backfi	lling and Grading		23,046.00
Subtotal Reveg			9,600.00
Subtotal Direc	t Costs		\$35,156.00
Indirect Costs			
Mob/Demob		10.0%	\$3,515.60
Contingency		5.0%	1,757.80
Engineering Re	design	2.5%	878.90
Main Office Exp	pense	6.8%	2,390.61
Project Manage		2.5%	878.90
Subtotal Indire	ect Costs	26.8%	\$9,421.81
Total Cost 2010			<u>\$44,577.81</u>
Number of Yea	rs	5	
Escalation Fact	or	0.005	
<u>Escalation</u>			\$1,125.65
Reclamation Co	ost Escalated		\$45,703.45
Average Cost p	er Acre Disturbed		\$4,800.00
	(Rounded to nearest \$1,000)		
2015 Dollars			\$46,000.00

July 29, 2010

Last Revision

RECLAMATION SURETY ESTIMATE

Mine Operator: AGR Minerals, LLC. **Highland Mist Mine**

file: MINE-BOND.xls

DOGM file Number:

Iron & Garfield Counties

Prepared by Oren Gatten - North American Exploration, Inc. Reclamation Details:

No topsoil removal or import is anticipated. Reclamation of impacted areas will be rip and seed only. All equipment to be used will be provided by an outside contractor.

Description Materials Demolition / Removal / Reclamation		Means Reference Number	Total Unit Cost (Incl. O&P)	Unit Cost	Unit	Quantity	Unit	Cost
Demolition and Removal		Number	, sa					
Equipment Removal Various Items (10 loads, all								
equipment is mobile)	70 to 150 HP equipment	01 54 36 50 0020	\$251.00	\$251.00	Еа.	10	Ea.	\$2,510
Subtotal: Demolition and Removal								\$2,510
Backfilling and Grading								
Site Reclamation Facilities Areas Debris Removal								
Metal, Concrete Rubbish	Loading and Trucking - Machine	02 41 19 23 3080	\$21.00	\$21.00	C.Y	50	C.Y	\$1,050
Grade stockpiles to max slope of 3H to 1V	Ripping, Till, Medium Hard, 300 hp Dozer, adverse conditions.	31 23 16 32 2830	\$0.47	\$0.47	B.C.Y.	15,000	B.C.Y.	\$7,050
Rip 24" Beneath Compacted Facility Areas (4.3 Acres)	Ripping, Till, Medium Hard, 300 hp Dozer, adverse conditions.	31 23 16 32 2830	\$0.47	\$0.47	B.C.Y.	14,000	B.C.Y.	\$6,580
Mine Areas. Replace overburden and Rip 12" along contours (4 Acres)	Ripping, Till, Medium Hard, 300 hp Dozer, adverse conditions.	31 23 16 32 2830	\$0.47	\$0.47	B.C.Y.	13.000	B.C.Y.	\$6,110
Rip 2' Along Contours / Grade Access Roads (0.5 Acres)	Ripping, Till, Medium Hard, 300 hp Dozer, adverse conditions.	31 23 16 32 2830	\$0.47		B.C.Y.		B.C.Y.	\$2,256
Subtotal: Backfilling and Grading		410						\$23,046
Revegetation								
Amendments and Reseeding				7.5			ti.	
DOGM Revegetation Standard	\$1,000 / Acre Standard Revegetation Cost		\$1,000.00	\$1,000.00	Acre	9	Acre	\$9,000
Site Management for 3 years	Annual Site Inspection and Vegetation Progress Report by Qualified Person.		\$200.00	\$200.00	L.S.	3	L.S.	\$600
Subtotal: Revegetation								\$9,600

Total Cost 2010 \$35,156

APPENDIX 7

ORIGINAL SMALL MINE PERMIT

Form MR-SMO (Revised March 2, 2004)

1.

This Section for DOGM Use:				
Assigned DOGM File No .:	S	1	1	
DOGM Lead:				
Permit Fee \$			Ck#	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

G	ENERAL INFORMATION (Rule R647-3-104)
1.	Name of Mine: Highland Mist
2.	Name of Person or Entity Applying for Permit: Anasazi Gold Reserves Address: c/o North American Holding, Inc., 472 North Main Street City, State, Zip: Kaysville, UT 84037 Phone: 801/544-3421 Fax: 801/544-4554 E-mail Address:
	Company () Corporation (x) Partnership () Individual () Other () – specify type) A corporation must be registered with the State of Utah, Division of Corporations. Are you currently registered to do business in the State of Utah? Business License # 5632269 – 0143
	Registered Agent (as identified on business license):
3.	Name of Operator (if different from #2)

CI	ty. State, Zip:			
Ph	none:		Fax:	
E-	mail Address: _			
Ac	ldress:			
Cit	ty, State, Zip:			
Ph	ione:	100	Fax:	THE REPORT OF THE PARTY OF THE
E-	mail Address: _			
If (Corporation or	Limited Lia	ability Entity:	
Na	me of Officers	: Michael	D. Terry	Title: President/Overseer)
		Sarah A	nn Wilson	Title: Secretary
				Title:
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rno	one:		Fax:	
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		ML49111 Sec.36, T32S-R6W - Iron Co Utah State Lease Number(s): ML49113 Sec.36, T32S-R5½W - Garfield Co
		Name of Lessee(s) Michael D. Terry
	7.	Have the above surface and mineral owners been notified in writing? Yes Nox
		If no, why not? Owners are state of Utah and Anasazi Gold Reserves. Mine operator owns surface and has leased the minerals
Mining Exploi Lands	g alone ration of Admini	vised that if State Trust Lands are involved, notification to the Division of Oil, Gas and does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. In mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust stration prior to commencing any activities. Please contact the School Institutional Trust stration (SITLA) at (801) 538-5508 for notification requirements.
	8.	Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice? Yesx No
II.	PROJ	ECT LOCATION & MAP (Rule R647-3-105)
	1.	Project Location (legal description):
	Count	y(ies):Iron/Garfield
	NW	1/4, of NE 1/4, of NE 1/4: Section: 36 Township: 32S Range: 6W 1/4, of NE 1/4, of NE 1/4: Section: 36 Township: 32S Range: 6W 1/4, of SW 1/4, of NW 1/4: Section: 36 Township: 32S Range: 5½W
	UTM	East (if known) UTM North (If known)
	Name	of Quad Map for Location: Panguitch NW (7½')
	2.	A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located

- on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.
- 3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) must be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

11.	OPE	RATION PLAN (Rule R647-3-106)
	1.	Type of mining: Surface ☑ Underground □
	2.	Mineral(s) to be mined: Precious metals
	3.	Amount of material to be extracted, moved or proposed to be moved: Up to about 75,000 tons
	4.	Will any water, liquid chemicals, reagents, or other solutions be used, produce or discharged as part of the mining or milling process? Yes □ No ☒ If yes, please describe (add extra pages if needed)
	5.	Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). See attached writeup and figures 1, 2, 3, and 4
	6.	□ New Road(s): Length none (ft) Width (ft)
	7.	☑ Improved Road(s): Length 1600 (ft) Width 30 (ft)
	8.	Total project surface acreage to be disturbed: 4.0 (acres) PLEASE SPECIF EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI). Sec. 36, T32S-R6W = 400' x 400' = 3.7 ac. Sec. 36, T32S-R5½W = 150' x 100' = 0.3 ac.
	9.	Proposed startup date of project (month, year) May 2004
	10.	Proposed completion date of project, if known (month, year) unknown

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

- 1. Keep the mining operation in a safe, clean, and environmentally stable condition.
- 2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- 3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- 4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
- 5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
- 6. Remove all waste or debris from stream channels.

- 7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
- 8. Conduct mining activities so as to minimize erosion and control sediment.
- 9. Reclaim all roads that are not part of a permanent transportation system.
- 10. Stockpile topsoil and suitable overburden prior to mining...
- Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
- Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

Van	NIO T	-
Yes	No [

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

Item Number	Variance Request Justification		
none			
decident of the second			

VI. <u>SURETY</u> (Act 40-8-7(1)[c])

\$3,000 for each additional acre.

The Utah Mined Land Reclamation Act (40-8-7(1)[c]) provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved *notices* consistent with on-site conditions. The surety amount is based on the following average calculations. These amounts are used as a general guide and may take individual discretionary judgment into consideration. \$5,000 for the 1st acre; and

Note: Partial acreages are rounded up to the next highest #.

The surety must be provided to the Division prior to commencement of operations.

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), and revised July 1, 2002, permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

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Exploration Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

<u>NOTICE:</u> The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: Michael D. Terry	
Address: Box 77, Prospect	
City, State, Zip: Virginia City,	MT 59755
Phone: 801/361-6802	Fax: none
E-mail Address:none	
Name:	
Address:	
City, State, Zip:	
Phone:	_ Fax:
E-mail Address:	

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

I have enclosed the required permit fee. I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished. I further understand that I am not authorized to create any surface disturbance until the surety amount is posted and I have received written approval from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

(Note: If a company or corporation, this form <u>must</u> be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

Signature of Permittee/ Oper	ator/ Applicant: Michael Dierry	
Name (typed or printed):		
Title/Position (if applicable):_	Overseer/Anasazi Gold Reserves	
Date: April 13, 2004		